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No. 2176

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CARICOM SECRETARY ADDRESSES CARIBBEAN BUSINESS LEADERS

FL251355 Bridgetown SUNDAY ADVOCATE-NEWS in English 20 Jul 80 p 1

[Text] CARICOM Secretary-General, Dr. Kurleigh King, has warned Caribbean business leaders to beware of mixing the roles of businessman and politician. He said this was not easily achieved.

Dr. King was addressing the CARICOM businessmen at an all-day seminar at Sam Lord's Castle, St. Philip, yesterday.

The group was considering ways and means of strengthening their national and regional private sector organisations in order to stimulate investment and productive employment in the Caribbean.

Dr. King said that businessmen had to make up their minds that they must accept leadership from government.

He described the private sector as the engine of economic growth with government responsible for building roads and erecting signs and even "road blocks." He told the businessmen that if they did not become a part of the action they would be left out or would find themselves going down a road which government would not agree to "repair."

Dr. King was looking at the need for more private sector involvement in the development of the Caribbean.

He looked at the difference between growth and development, his emphasis on development being structural change. He said it was a change in the range and concept of output in the level of value added in the creation of horizontal linkages between sectors and vertical integration within sectors.

"Development therefore means that change from traditional agriculture and commerce to industry and services, a change from imports to import substitution and from import substation to exports, a change from the production of raw materials and basic production to the production of finished goods and eventually capital goods."

Dr. King identified unemployment, balance of payments and inflation as the three major problems facing governments.

He suggested that the private sector should engage in those activities that assist governments in solving these problems, such as activities that earn foreign exchange or save foreign exchange, labour intensive technologies and the encouragement of high productivity by efficient management.

The CARICOM secretary-general described the social revolution taking place in Caribbean countries as a revolution of rising expectations that was demonstrated in the need of the people for participation in decisions that affected their future, a need for mobility and for job satisfaction.

He urged the private sector to diversify, produce, export and manage efficiently.

He told them that they needed a new image, not just a superficial image by means of public relations but a real change in the character of their operation.

Dr. King told the business leaders that since they were the engines of economic growth they ought to tune their engines, watch the signs, and "stay on the road."

Private sector need for technical assistance, financial commitments, project development and administrative capability were discussed in workshops at the regional seminar.

The meeting was a follow-up to that held in Jamaica last December to consider the role of the businessman in a changing Caribbean.

CSO: 3020

CARICOM TO CHANGE REGION'S ORIGIN RULES

FL211445 Bridgetown ADVOCATE-NEWS in English 16 Jul 80 p 9

[Text] More than two years behind schedule, Caribbean Common Market and Community (CARICOM) governments have finally agreed to change the region's origin rules, which govern the qualification of goods made in the area for duty free treatment in CARICOM, it was officially announced in Barbados on Monday.

CARICOM Secretary-General Dr. Kurleigh King made the announcement as he addressed the opening session of a six weeks course for customs officers from throughout the area.

Said Dr. King: "All the member states have now ratified the decision to change the origin rules and the amendment of the CARICOM treaty, replacing the existing rules with new ones, has now entered into force.

"We look forward to the next step of the completion of implementing legislation of all member states and the introduction of the new criteria for free access to the CARICOM market at a date that will soon be announced."

Critics of the old system--the original CARICOM basic materials list--had complained that it had permitted substantial use of non-Caribbean raw materials in products traded through the region and getting full concessionary treatment.

CARICOM agreed in 1975 to a new process list-origin rules of implementation in two stages from January 1976, but that decision collapsed when Monserrat refused ratification, as the then chief minister, Austin Bramble, pressed the case of the less developed countries (LDCS) for a better deal in the integration efforts.

In 1977--with the impasse apparently resolved--the CARICOM ministerial council announced a January 1, 1978 start date for use of the new rules.

But this too ran into snags with few of the 12 CARICOM member states passing the necessary legislation to give effect to the new system.

The 28 customs officers attending the Barbados course will hear lecturers in the new rules and the CARICOM external tariff during the next few weeks.

Dr. King said that a new method of determining value for customs purposes had emerged from recent multi-lateral trade talks in Japan, and "we must now make a choice of whether to adopt it or not."

CSO: 3020

CARICOM REJECTS EEC PROPOSAL TO ALTER AID PROGRAM

FL311830 Bridgetown ADVOCATE-NEWS in English 28 Jul 80 p 3

[Excerpts] Georgetown, Guyana, 27 Jul (CANA)--The Caribbean Community (CARICOM) has rejected European Economic Community (EEC) proposals to alter the nine's approach to regional aid programmes, while adopting plans to establish a fund for technical cooperation.

CARICOM's decisions were taken at the council of ministers meeting which has just ended here, and the rejection of the EEC proposals was listed by conference chairman Joe Tyndall of Guyana and CARICOM Secretary-General Dr. Kurleigh King as one of the major accords reached.

Both Dr. King and Mr. Tyndall told reporters that the council was "unequivocal" in rejecting Europe's plan to adopt an ad hoc rather than coordinated approach to regional aid under the Lome II Trade-Aid Pact.

CARICOM felt that an ad hoc approach would disrupt the community and the group will now solicit support from Suriname and the Bahamas--not members of CARICOM, but linked to the EEC under Lome--to present the nine with a unified front against the proposals.

CARICOM also agreed on the basic elements of its negotiating strategy with the EEC on renewing the sugar price guaranteed Africa, Caribbean and Pacific (ACP) exporters under the Lome convention.

The council also agreed on the creation of a Caribbean fund for technical cooperation and the need to speed up implementation of new origin rules to govern inter-regional trade of manufactured goods.

Mr. Tyndall said that the new rules or origin were now "very close to implementationg" with only two CARICOM countries still to complete the legislative process required to make the rules municipal laws.

This, he added, should be completed in "a month or two."

All members have ratified the rules, and the council has agreed to a three-month grace period after the rules are adopted, to permit compliance.

The conference adopted firm proposals for an initial US$250,000 commonwealth Caribbean fund for technical cooperation to cover ad hoc requests for technical aid from Caribbean countries.

The CARICOM secretariat has already obtained funds from external sources for the project and member governments are now being asked to see how much of the remainder they could contribute.

Establishment of the fund is intended to streamline the process by which member countries, along with other Caribbean states (who are entitled to participate) aid one another when specific technical aid requests come up.

CARICOM already has a limited technical assistance programme.

The recent completion of population census exercises in the region was also discussed but Mr. Tyndall disclosed that Grenada, Jamaica, Antigua and Dominica have not been able to complete the exercise.

The United Nations fund for population acitivities is to be asked to help these states complete the project.

Under the Agricultural Marketing Protocal (AMP) covering the inter-regional trade of agricultural produce, the council approved an 18 cents (EC) increase in the price per pound of peanuts traded among members.

The council also agreed that a study should be done of the possibilities of expanding the production of vegetables like egg plants, pumpkins and ginger for export.

Under the oils and fats agreement, which facilitates the intra-regional trade in fats and oils, the conference agreed on the new price of EC$10.92 per gallon for refined oil being sold to importing countries.

CSO: 3020

BARBADOS TRADE MISSION REPORTS JAMAICA'S WILLINGNESS TO TRADE

FL311825 Bridgetown ADVOCATE-NEWS in English 26 Jul 80 p 1

[Text] Kingston, Jamaica, 25 Jul (CANA)--The head of a Barbados trade mission, Duncan Turney, has expressed confidence in Jamaica's willingness to trade with her partners in the Caribbean Community and Common Market (CARICOM).

"I am fully satisfied that the trade administrators department is doing everything possible to ensure that licenses for the import of CARICOM products are issued expeditiously," Mr. Turney, who is chairman of the Barbados Export Promotion Corporation, told reports.

The mission, which arrived on Wednesday, is here mainly to service the Jamaican market, Mr. Turney said.

The products being promoted are garments, furniture and processed foods.

Mr. Turney and the corporation's manager McDonald Grosvenor, were happy with Barbados' improving balance of trade position with Jamaica.

They pointed out that during the first quarter of last year Barbados exported less than a quarter million dollars (US$125,000) worth of goods to Jamaica, but that figure rose to Bdos$1,139,000 (US$569,500) for the corresponding period for 1980.

Jamaica's export to Barbados for the period has remained steady at about five million dollars (US$2.5 million) they said.

Though Jamaica's present beleaguered economic position influenced its trading patterns, the officials said, it was not being deterrent to trade in the region.

CSO: 3020

FOREIGN PERUVIAN MINISTER-DESIGNATE VIEWS RELATIONS WITH BOLIVIA

PY261556 Buenos Aires LATIN in Spanish 0523 GMT 26 Jul 80

[Text] Lima, 26 Jul (LATIN)--Javier Arias Stella, the foreign minister-designate of the next constitutional government, stated here last night that ties between Peru and Bolivia must "be permanent." The statement made by the future minister, who will officially assume office on Monday, was interpreted by political circles as meaning that Peru will not break relations with Bolivia, notwithstanding the rejection of the military coup which overthrew president Lidia Gueiler.

In a press conference, Arias Stella stated: "Since it concerns a brotherly and neighboring country with which we have ties of common interests, our relations with the Andean group countries must be permanent."

He pointed out that the common interests between the two countries "are above any temporary political event." He said that all member countries of the Andean pact agree that "strengthening the democratic institution is one of the basic elements to facilitate the integration process."

Ever since the military coup that took place in Bolivia by which the winner of the latest Bolivian general elections was rejected and interim President Lidia Gueiler was overthrown, all political organizations of the left and neighborhood organizations have been daily urging Peru to break diplomatic relations with Bolivia.

Arias Stella indicated that the Andean pact countries will issue a joint communique in this capital when they meet to discuss the Bolivian situation.

He reiterated that Peru regrets what happened in Bolivia, and he expressed wishes that Bolivia may regain its democratic course "in the shortest period of time so as to strengthen the process of Andean integration." The Andean pact is made up of Bolivia, Colombia, Ecuador, Peru and Venezuela.

By suggestion of President-elect Fernando Belaunde Terry, a summit conference will be held on 29 July with the participation of the presidents of Colombia and Venezuela and the special representative of the Ecuadorean president.

Peru will reestablish the democratic process on Monday, after 12 years of military government.

CSO: 3010

CHILEAN PAPER VIEWS PRIORITIES OF BELAUNDE REGIME

PY301528 Paris AFP in Spanish 0406 GMT 30 Jul 80

[Text] Santiago, Chile, 30 Jul (AFP)--The newspaper EL MERCURIO states today that the main concern of the new Peruvian Government headed by President Fernando Belaunde Terry will be the economic recovery of the country.

In its main editorial the influential Chilean newspaper notes that in this undertaking Belaunde will have to overcome the demagogic and increasingly interventionist position that the Andean pact countries have assumed.

The newspaper adds that the principles of the agreement itself hinder any economic modernization; this is understood by Chile and is the reason Chile withdrew from the Andean pact. Moreover, there is a desire on the part of the Andean pact to interfere in the political affairs of its members and the rest of the continent.

The newspaper notes the continuity of the political, economic and social ideals of the Peruvian leader and adds that this is implicit in his choice of advisers. EL MERCURIO states that Manuel Ulloa, a businessman and journalist, has been appointed prime minister, which is the same post he held in 1968. The newspaper notes: "He is a modern man but he is also orthodox in his ideas. He has the capacity to restore the damaged Peruvian economy."

EL MERCURIO states that Fernando Belaunde Terry was in the 60's a moderate government leader who sought through centrist ways to improve the economic and social situation of Peruvians. It adds: His concern for the so-called jungle highway, where Peruvians in need of lands could be settled and where the future of Peru lies, is typical of his nature.

EL MERCURIO states that the inauguration of Belaunde's government complete a liberation process in Peru that started with the election of a constituent assembly and that ended with the appointment of a civilian president that was freely elected.

It notes that the failure of Gen Juan Velasco Alvarado's populist leftist period deteriorated the Peruvian economy to such a degree that the military was relieved to hand over the government.

Making a comparison with the Bolivian political situation, EL MERCURIO states that Belaunde's election victory was clear and that this contrasts with what has taken place two consecutive times in Bolivia, where no candidate was able to achieve the required majority.

It adds: This is not the only difference. In Peru Velasco Alvarado's leftist government was a discredit to the social parties and diminished the popular force of Marxist parties. When the time arrived to elect a president Peruvians gave their support to the democratic centrist sector while in Bolivia the people supported the communist left.

The newspaper adds that the establishment of an extremist regime in Bolivia is not a good thing for Peru, and that as a member of the Andean pact it is supporting the establishment in power of Hernan Siles Zuazo.

CSO: 3010

BRIEFS

REGIONAL FOOD STRATEGY--The proposed million-dollar regional food and nutrition strategy for the Caribbean community is being modified and the first draft of the new (?form) will be ready by the middle of August. The disclosure was made yesterday by the CARICOM secretariat in Georgetown, Guyana. The regional food plan is designed to cut CARICOM's billion-dollar-a-year food import bill, and it was drawn up at the last CARICOM's heads of government summit in St Kitts in December 1975. The proposed plan envisages the development of agricultural and agro-industrial projects in CARICOM as part of a combined effort to devise an import substitution program. But the plan has been widened to include a nutritional aspect and as a result a special intrasectoral committee has been set up to develop a new strategy. The committee met recently and held discussions on the matter, and a follow-up meeting is planned for next month in Barbados to draft a new strategy. [Text] [FL241251 Kingston Domestic Service in English 1130 GMT 14 Jul 80]

OAS RESOLUTION ON BOLIVIA--Barbados has cosponsored a resolution of the Permanent Council of the Organization of American States [OAS] condeming the July 17th military coup in Bolivia. A government statement issued in Bridgetown today said the resolution, which was adopted by the OAS, had been introduced by Venezuela, Ecuador and Colombia. A total of 16 OAS nations supported the resolution against the military coup leaders in Bolivia. The resolution expresses profound concern for the loss of lives and violation of human rights caused by the coup, and urged the Inter-American Commission for Human Rights to examine the current situation in Bolivia. [Text] [FL291844 Kingston Domestic Service in English 1630 GMT 29 Jul 80]

CSO: 3020

COMMENTARY ON VIDELA'S CANCELED TRIP TO PERU

PY252058 Buenos Aires LA NACION in Spanish 17 Jul 80 p 8

[Editorial: "The Suspension of the Visit to Lima"]

[Text] President Videla has had to suspend his trip to Lima to attend the inauguration ceremony of Belaunde Terry. The reasons for this, undoubtedly, should be considered beyond the control of the Argentine Government. As we previously stated in this column, the decision to attend the ceremony was a wise one.

As a matter of fact, the presence of President Videla at Belaunde's inauguration ceremony would have constituted a reaffirmation of the Argentine-Peruvian links at a timely moment for the current course of our international policy as well as an equally efficient demonstration of the democratic aspirations which encourage our government. The fact that Argentina feels identified with Peru at the time when the latter returns to a full constitutional life, through the prominent figure of Belaunde, will result in a rapprochement which will also benefit the practical interests and democratic aspirations of the Andean group being promoted in Latin America.

Thus, we must disregard point blank any mistaking of the government's clear objectives in deciding on General Videla's participation in the ceremonies, scheduled to take place in Lima, for any sort of clumsiness which may have thwarted the implementation of this decision.

This very confusion is responsible for the opportunistic speculations of both Peruvian and Argentine sectors which have not resigned themselves to the reinstatement of democracy within the framework of law and peace. Here these sectors have lost too much blood to keep silent and in Peru they have lost the elections. But they have joined efforts and will hardly give up their disruptive quests, as they have proven just now by simultaneously threatening the Peruvian festivities and Argentina's gesture of support.

Happily, it does not seem that Peruvian public opinion has become aware of the confusion. On the one hand, the Peruvian people have been asked to reflect on the feelings of the majority, disregarding the noises from the minority. On the other hand, Belaunde Terry himself has marked this government with a noble statement--which he presumably disliked making as a preliminary action of his administration--in connection with the delay of General Videla's visit to Lima.

It will be now necessary for the prudence which has overcome the unfortunate event and its immediate repercussions, to overrule the actions related to an international relationship designed to clear-up the Argentine affair and to preclude irreparable confusions irrespective of their ill-intended and deep-seated nature.

CSO: 3010

GRAFFIGNA ON CREATION OF PRIVATE AERONAUTICS INDUSTRY

PY011421 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1610 GMT 31 Jul 80

[Text] Buenos Aires, 31 Jul (NA)--Lt Gen Omar Graffigna, commander in chief of the air force, stated today that the air force "does not advocate" the creation of a national aeronautics industry "at any cost," and reaffirmed that "effectiveness will be one of the determining factors."

He also indicated that the air force wants a "growing participation from all sectors engaged in the task of the air force" to achieve a "fruitful and responsible dialogue" which may include "sound criticism and responsible suggestion."

Graffigna made these remarks today during a ceremony marking the turning over of approximately 150 planes and other equipment donated by the air force to aviation clubs throughout the country.

The ceremony was held at the Argentine Aviation Club in San Justo with the participation of high-ranking aeronautics officials. Graffigna stressed the importance of the aviation clubs in training personnel who will later work in commercial aviation, and he also stressed the task entrusted to the air force in building airplanes and achieving other industrial goals.

He also stated: "To build the kind of country we want, everyone's effort is of vital importance, and we, the top leaders who are responsible for the leadership, must be the first to push aside personal and sectorial interests for the benefit of the group and for the benefit of the country."

Graffigna also pointed out that the air force's donation of this material is a "reaffirmation of our ideal that the country belongs to all and must be built by all."

He also referred to the national aeronautics industry and to the achievements of the air force and stated that "we should be proud that these airplanes (which he was relinquishing) have been built by our aeronautics industry."

He then stated that "the balanced development of aerospace power involves making the increase in airplanes compatible with the industry, and requires harmonizing aspirations and interests, with a vision of the future and a will to attain success."

He outlined the work of the air force in this sector and said that "it created an organization to begin something which was not within its direct competence but which did pertain to the development of national industry--within the airplane factory was housed an automobile factory," which is now closed "because I felt that it had completed a cycle and had fulfilled the initial objective."

For this reason, he said, "we want to build in the same manner a private aeronautics industry, as provided for by the economic policy of the national reorganization process, and of course we must provide it with the necessary aid until it can operate by itself."

He added that "we want it to be effective, but we must protect it in the beginning. If we do not accept this challenge and are not ready to face it, we will find out one day that the right to decide our own destiny as a nation has escaped from our hands."

It was then that Graffigna stated that "this concept must not be confused" because we do not advocate "an industry at any cost, and we do not consider it as a means in itself. We see in this activity a true multiplying factor as generator of other industries and an important pole radiating technology. We also affirm that effectiveness will be one of the determining factors."

CSO: 3010

BRIEFS

MONTONEROS SENTENCED--Omar Delfor Garzonio, Chubut federal judge sentenced 12 Montoneros to 3 and 8 years imprisonment. Armando Demitrio and Francisco Alberto Ledesma have been sentenced to 8 years imprisonment and disqualified to work in the public sector for 11 years. Luis Antonio Porcial, Adolfo Edgardo Silveira, Osvaldo Stoyanoff and Mirta Dolly Silveira have been sentenced to 5 years imprisonment and disqualified for public work for 10 years; Alberto Enrique Maruco to 4 years imprisonment and disqualified for 8 years; Olga Zulema Perez de Finkel, Edith Carmen Rubilar, Guido Adrian Nancupel Uribe, Cesar Roberto Vivar and Nora Campesano de Demitrio have been sentenced to 3 years imprisonment. [PY242334 Buenos Aires LA PRENSA in Spanish 20 Jul 80 p 9]

LAOTIAN REFUGEE PROBLEM--(Noticias Argentinas)--In all probability the government will expel a group of 20 Laotian families who last week created several disorders in Posadas and forced the police to intervene to restore order. These families had been accomodated in a municipality-owned building in Posadas in an attempt to help them become adapted to local conditions. Previously they had been living in other parts of the country, but constantly behaved in a disorderly manner, claiming their living conditions were not satisfactory. The problem is now to find a country which will accept the Asian refugees. Argentina has now given asylum to 270 Asian families. Many of these had caused the government problems when they complained of local living conditions. Some wanted to go and live in the United States. [PY242334 Buenos Aires HERALD in English 24 Jul 80 p 11]

CORPUS JOINT COMMISSION MEETS--Buenos Aires, 20 Jul (NA)--According to diplomatic sources in Asuncion the Argentine-Paraguayan Joint Commission in charge of choosing the site for the construction of the binational hydroelectric dam will start a meeting tomorrow to analyze the report submitted to this commission by the U.S. consulting firm Harza-Lahmeyer. The Corpus Commission's meeting will take place in the Argentine headquarters. [PY242334 Buenos Aires Noticias Argentinas in Spanish 1630 GMT 20 Jul 80]

FOREIGN INVESTMENT--The executive branch has approved the investment in Swiss francs of $27.79 million by the Bank Ambrosian Holding Societe Anonyme, of Luxembur, as part of the foreign capital of its branch in Argentina, the Bank Ambrosian of South America, S.A. [PY200210 Buenos Aires Telam in Spanish 1930 GMT 18 Jul 80]

IRON-STEEL PRODUCTION DROPS--The Iron and Steel Industrialists Center has reported that during the first 6 months of this year the production of raw steel decreased by 10.3 percent, steel plate decreased by 12.2 percent and cold-rolled steel plate decreased by 17.3 percent. During the month of June 1980 the production of pig iron amounted to 91,300 tons, sponge iron to 83,200, raw steel 241,100 tons and steel plate 175,600 tons. [PY242232 Buenos Aires CLARIN in Spanish 18 Jul 80 p 13]

UNEMPLOYED METAL WORKERS--(Noticias Argentinas)--Seventy thousand metal workers lost their jobs in the past year according to a statement issued yesterday by the secretary general of the Metal Workers' Union (UOM). Leaders of the country's largest labour union charged that dismissals, shorter working hours and delays in paying wages were factors of "grave social tension." After claiming that present economic policy is only beneficial to international financiers, the UOM statement says the leading metalurgical firms such as Acindar, Siam, Gurmendi, Fiat, Zanella, Vassalli, Otis, Baidin, Schiarre, Audinao, DGH, Philips, and others were cutting their output. The statement also notes that "the regional economies are unable to absorb our production (agricultural machinery) and, worse, the distortion of the economic system forces workers to subsidize indiscriminate consumption with the deterioration of their incomes." [PY242232 Buenos Aires HERALD in English 24 Jul 80 p 11]

MEAT EXPORTS DECREASE--The National Meat Board reported that exports of beef, mutton, pork and horse meat during the first 6 months of this year decreased by 109,667 tons as compared to the same period last year. It was also reported that the Soviet Union was the main buyer of Argentine meat during the January-June period with a purchase of 72,100 tons; the EEC purchased 39,300 tons and Greece 1,200 tons. Exports of different types of meat and processing during the first 6 months added up to 213,166 tons worth $519,725,000 as compared to 321,833 tons in the same period in 1979. [PY242232 Buenos Aires LA PRENSA in Spanish 16 Jul 80 p 5]

OIL WELLS START YIELDING--A source related to the Government Oil Deposits (YPF) reported that the Cerro Dollar, Puesto Miranda and Rio Grande wells in Puesto Rojas, Malargue have started yielding about 400 cubic meters of oil per day. Puesto Rojas is situated about 400 km from Mendoza City. [PY242232 Buenos Aires LA RAZON in Spanish 15 Jul 80 p 10]

AUTOMOBILE PRODUCTION UP--According to a report issued by the Automobile Manufacturers Association (ADEFA) the automobile production during June 1980 amounted to 24,873 units which represents an increase of 9.9 percent over the same month in 1979. Production during the first 6 months

adds up to 132,055 units, which represents an increase of 18.6 percent over the same period last year. The report adds that vehicle exports during June amounted to 626 units which represents an increase of 702.6 percent over June 1979 when only 78 units were exported. [PY242232 Buenos Aires LA PRENSA in Spanish 20 Jul 80 p 4]

COMMUNIST YOUTH ARRESTED--Buenos Aires, 1 Aug (NA)--The arrest of Victor Daniel Demarco, member of the Federation of Communist Youth [Federacion Juvenil Comunista] was reported today by his mother, Nelida Matilde Morgante who sent a communique to news media. The woman explained that her son was arrested on 30 July and is currently being held at the headquarters of the Federal Security Superintendency. [Text] [PY012112 Buenos Aires Noticias Argentinas in Spanish 2036 GMT 1 Aug 80]

CSO: 3010

LABOR LEADER INTERVIEWED IN LIMA ON COUP

PY242050 Lima Domestic Service in Spanish 1200 GMT 24 Jul 80

[Text] Justo Perez Garcia and five other Bolivian labor leaders are in our capital where they have arrived as refugees after the coup d'etat. Our journalist (Ovan de Dios Arista) has interviewed Justo Perez Garcia.

[Begin recording] [Question] Mr Perez Garcia, what can you tell us about the military coup d'etat?

[Answer] It is one of the bloodiest coups in the history of my country and it has met with the staunch resistance of the workers and the people. The Bolivian people are forced to offer resistance to these regressive forces.

[Question] Can you tell us how many of your comrades have come to Lima with you and what is the reason of your visit?

[Answer] I have come here together with the comrades who had gone with me to the labor conference held in Bogota; there are four of them besides me. They are all leaders of Bolivian unions (Jorge Tren), (Arellano), (Trigo) and [name indistinct]. We came here to seek solidarity from the Latin American workers and people with the resistance of the Bolivian people.

[Question] What do you mean by solidarity from the Peruvian workers with the Bolivian workers?

[Answer] Class solidarity must take place at every level, and the Peruvian workers are not unaware of this. They well know that class solidarity can be extended to every corner of the world and even more when this solidarity is needed by their brothers who are having difficult times, as is the case of the Bolivian workers. We greatly value the solidarity of the Peruvian brothers. We know about the mobilization which they are preparing and that this mobilization which they are preparing and that this mobilization will begin soon and will last until next week. We see it as very valuable and it greatly strengthens the position of the Bolivian workers and people in

their efforts to thwart the spreading of fascism in Bolivia, a situation which would endanger the democratic government of the whole hemisphere.

[Question] What will the Bolivian workers do with regard to General Meza's repressive measures?

[Answer] [Passage indistinct] Having them as hostages is practically a desperate situation, but the people continue resisting because they know that they must fight for their freedom, and democracy is the only system which can guarantee this freedom.

CSO: 3010

OUSTED BRAZILIAN CP LEADER HITS 'OUTDATED' PARTY STANCES

LD300825 Lisbon EXPRESSO in Portuguese 19 Jul 80 Review Section pp 6-8

[Interview with Former Brazilian Communist Party (PCB) Secretary General Luis Carlos Prestes by Carlos Fino in Moscow: "PCB Leadership is Rightwing Opportunist"--date not specified]

[Excerpt] Expresso: Carlos Prestes, how was it possible, after all these years that you have worked together, for such deep differences to emerge among the central committee members?

Prestes: This did not emerge overnight. There had already been differences between my stance and that of the majority of the central committee for several years, but for the sake of unity and in order to safeguard the party's unity, I agreed to conciliation. But the time came when this was no longer possible, because of circumstances connected with the current situation in our country. When I went back to Brazil, I was able to see how high popular discontent is running and how great the masses' militancy is. I thus saw that the central committee's policy, which was that of our party, was in fact lagging behind the great mass movement and that it was urgently necessary to change the party's policy, starting with a revision of the political resolution of the party's last congress, which has been outdated by the present situation.

Expresso: So could it be said that on the one hand there is yourself, with a more radical view of the situation and even becoming associated with small groups such as the MR-8 [expansion unknown], and on the other hand there is the PCB leadership, or the majority of it, with a different, perhaps more moderate, view of matters?

Prestes: Well, that is a rather sketchy view. There are in fact stances which I regard as rightwing opportunist on the part of the party's current leadership, and on my part there is a policy which I deem to be necessary today in order to be in keeping with the degree of militancy and the correlation of class forces in Brazil. The government has been compelled to yield to the masses' pressure in such a way that, after repealing Law No. 5 [allusion unknown], it has already been forced to grant an

amnesty. Now, as the masses struggle, they will be able to secure other democratic gains. But it is necessary to struggle and not to adopt the watchword which is generally adopted by the majority of the central committee of not increasing tension--which, in my opinion, means doing nothing. In my opinion, the only way to secure further freedoms and widen the breach which has already been made is to struggle.

Socialism So Far Only In Underdeveloped Countries

Expresso: There are those who assert that you accuse the PCB leadership, among other things, of being "eurocommunist." Is this true? And if it is true, do you believe that "eurocommunism" is a line which can be launched?

Prestes: I have already said that, in my opinion, the leadership's stances are rightwing opportunist. As far as eurocommunism is concerned, I believe that it is more characteristic of Europe. I believe it possible that the three parties, the PCI, PCF and PCE, which publicly champion eurocommunism as common ground among them, have the positive aim here of searching for a course appropriate for the countries of the most advanced capitalism. It is clear that in the search for something new you are always liable to make mistakes. But I believe that this is a stance for the countries of developed capitalism. Indeed, except for Czechoslovakia, socialist regimes have been set up so far only in economically underdeveloped countries.

We ourselves, under Brazilian conditions, are seeking our own path. Lenin said that, as socialism conquers the world, the diversification of the forces heading toward socialism will constantly increase.

Expresso: So do you not believe that something like what happened in Spain could happen in Brazil--a controlled evolution toward a democratic system?

Prestes: I believe that the paths in Brazil and in Spain are different; they are different countries in their economic development and in the correlation of classes. In my opinion, democratic progress cannot fail to be the outcome of mass action. Even in Spain, there has been mass action....In Brazil, the apparatus of repression remains intact, but we believe that it is possible through mass action to achieve the dismantling of that apparatus.

Expresso: What has the Soviets' stance been so far with respect to the problems existing in the PCB?

Prestes: It has been one of not intervening. Each party should resolve its disagreements without intervention. The Soviet Party has not intervened again since the dissolution of the Comintern. The policy today and since that time (1943) is that there is no longer any leading party and that there should be no intervention by a party or parties in the others' internal affairs.

There Was No Legitimacy at Last Central Committee Meeting

Expresso: However, some observers have noted that you are no longer presented in some Soviet papers as PCB secretary general. Does this reveal a tendency on the part of the Soviets, nevertheless, to support the other group--the majority of the central committee?

Prestes: No. This reflects precisely the stance which I mentioned, of not interfering in internal affairs. If the central committee replaced me as party leader, the Soviets respect that decision. I, for instance, may not regard that as correct, because there was no legitimacy at that last central committee meeting. But that (laughing) applies to me personally and the comrades who agree with me; that is all....

There Has Never Been So Much Poverty and Hunger in Brazil

Expresso: How do you view the situation in Brazil, which some observers describe as highly unpredictable?

Prestes: What characterizes the situation in Brazil over the last 2 years, especially since 1979, is the progress of the mass movement, particularly the working class. Discontent and militancy are very great. There is a powerful youth movement in Brazil today, which is opposed to the government's anticommunism. The working class is a new working class, created by large-scale industry--factories with 20,000, 30,000 or 40,000 workers, where the workers have no more illusions about capitalism and want social transformations. Even a leader such as Lula--Luis Ignacio Da Silva, leader of the Sao Bernardo Metal Workers, who has no political ideology and is unacquainted with Marxism--is a leader who asserted after leading two major strikes in 1978 and 1979: "It is not sufficient to increase wages; the system must be changed." The Sao Bernardo strike had political repercussions which were national in scope and marked a new stage in the Brazilian workers' movement. In addition, the country's economic situation is very grave: annual inflation is now 94 percent; the cost of living is reaching unprecedented levels; there has never been so much poverty and hunger in our country; the current minimum wage in Rio De Janeiro and Sao Paulo, where it is highest, is 4,100 cruzeiros, which represents only one-third of what the minimum wage ought to be today in order to restore the highest real earnings prior to 1964 (11,400 cruzeiros); the average wage is itself only 6,000 cruzeiros--$120--per month; moreover, the country's foreign debt is reaching unprecedented levels and will total over '60 billion at the end of this year.

According to a speech by Mr Figueiredo himself, paying for oil (since Brazil imports 80 percent of the oil which it consumes) and paying off debts (amortization and interest) cost more than the value of Brazil's entire exports.

Mr Figueiredo's Signature Is Enough

Expresso: What do you think: In the short term, will Brazil continue with a system very similar to the one it has had since 1964, will it evolve toward a fuller form of democracy, or could it even undergo a leftward swing?

Prestes: Marxism does not endow the gift of prophesy; we cannot be prophets. When there is a mass struggle, gains are possible; how far these gains will go it is impossible to say. On the other hand, the government meets all the requirements for a regression: it constitutes a constant threat to the "national security" imposed by the Pentagon on the Latin American countries and considers it a crime to try to reorganize the Communist Party. Apart from this, the constitutional safety clauses enable the government to decree a state of emergency without consulting Parliament. Mr Figueiredo's signature is enough to create a political regression in our country overnight....

Expresso: If there were a sudden leftward swing in Brazil, what would the PCB attitude be with regard to the currently much discussed issue of democratic freedoms?

Prestes: We are struggling for a democracy for the masses; we want not only political, but also economic and social democracy. The workers must have the conditions to be able to participate in political life, a higher living standard, decent working conditions and freedom of trade union activity....

Expresso: Would this kind of democracy embrace the existence of organized political opposition?

Prestes: Without a doubt--complete political freedom for the entire opposition. We really do want political freedoms.

Expresso: The Soviets are making a definite effort to spare criticisms of the Brazilian regime? Such criticisms are not easily found in the press or on the radio. On the other hand, a Soviet delegation headed by an important Politburo member--Shevardnadze--recently visited Brazil and on its return to Moscow talked of "the friendship which binds us" to our Brazilian friends, including the leadership circles. The stepping up of the U.S. grain boycott has made Argentina and Brazil special associates in the USSR's economic relations with Latin America. Do you not believe, therefore, that there is a contradiction between the Soviets' position and the PCB position?

Prestes: No, I see no contradiction: there are differences between party relations or policies and state policies. We have been struggling for years--since the Brazilian Government broke off relations with the USSR in 1948--for these relations to be reestablished. We therefore believe that these relations are a positive factor. Clearly, by developing

these relations the USSR is responding to the foreign policy of Mr Figueiredo, who heads a military dictatorship but who for reasons of economic necessity is seeking friendly relations with the entire world to gain new markets. We oppose a policy of exports, because we believe priority should be given to expanding the internal market, but we see no contradiction.... Furthermore, Mr Figueiredo accepted this Soviet parliamentary delegation's invitation and announced that he is willing to visit the USSR next year.

Our party is independent.

CSO: 3001

BROSSARD FEARS NORTHEAST SECESSIONIST MOVEMENT

Rio de Janeiro JORNAL DO BRASIL in Portuguese 4 Jul 80 p 3

[Text] Because he has heard from the people of the Northeast as well as from government-party congressmen and one vice governor from the Social Democratic Party (PDS) such statements as "The poverty of the Northeast is the result of the wealth of the South" and "The South impedes the solution of the problems of the Northeast to continue to receive its enslaved manpower," Brazilian Democratic Movement Party (PMDB) leader in the senate Paulo Brossard said yesterday that the "germ of national secession" already exists in that region and he expressed concern that the government is not mindful of that social fact."

The Rio Grande do Sul senator, who was in the interior of the Northeast region with the Senate Regional Affairs Committee, criticized "the errors, the discrimination and unfeasibility" of the government's emergency program adopted as a result of the drought and declared that there is "uneasiness and alarming dissatisfaction that will lead I know not where when the government is forced to halt the emergency plan."

Doubts

Paulo Brossard said that he was "deeply impressed and concerned" by what he learned from bus trips he made in the interior of Rio Grande do Norte, Paraiba, Deara and Piaui. "The situation is serious and grave," he declared, "and one of the problems stems precisely from the emergency plan adopted by the government."

Under that plan, the Rio Grande do Sul senator pointed out, each parcel of land up to 50 hectares can register three persons to receive aid amounting to 2,400 cruzeiros each per month for 10 months. Parcels of land up to 100 hectares can register five persons. "This was a thoughtless and limited plan," Paulo Brossard observed.

"The landowners register themselves, their wives and a child to receive the aid. That is, those who work the land are left out, abandoned, and they are tremendously dissatisfied, as are the municipalities not included in the emergency plan.

"In addition," continued the PMDB leader, "despite General Figueiredo's word that money would not be lacking for the program, I doubt that it will be continued very long. Utilizing data from the Brazilian Technical Assistance and Rural Extension Enterprise (EMBRATER) about the number of parcels of land of up to 100 hectares in the region, and considering that each parcel of property registers three persons to receive aid, that is, making a conservative estimate, 95 million cruzeiros will be necessary up to the end of the program. So, we ask: Is that money available? Well, everybody knows that there is no money for that purpose unless the government issues it. But can it issue it in this tragic situation of the national economy? And what is going to happen when it stops the program?"

Another negative aspect of the government's emergency plan, according to Paulo Brossard, "is that the people who are receiving aid are prevented from working normally because the program is intended for investment. So the cotton is not being picked, the corn is not being picked. In short, in addition to being unfeasible because of lack of money, instead of providing a favorable solution, the emergency program brings about results that are exactly the opposite of what could be expected from a government action."

National Secession

The Rio Grande do Sul senator was "deeply impressed" also by the statements he heard that "the poverty of the Northeast is the result of the wealth of the South." He pointed out that "the most vehement criticism comes from members of the government party itself. The northeasterners say, for example, that the Northeast produces more oil than it consumes, so it is the South that benefits. There is really an alarming ferment of revolt that without wanting to be an alarmist or to make predictions, will lead I know not where.

"I am not saying that that is or is not a distorted view of the national situation. I am merely describing it and calling attention to the situation. Those statements are the germ of national secession," continued the PMDB leader in the senate. He added that he also ascertained that "from the lack of organization in the government's action, from the succession of uncompleted plans, one has the impression that this is the first drought that has ever occurred in the Northeast."

8711
CSO: 3001

GOLBERY REAFFIRMS GOVERNMENT COMMITMENT TO DEMOCRATIZATION

Rio de Janeiro JORNAL DO BRASIL in Portuguese 4 Jul 80 p 2

[Text] The lecture delivered by Minister Golbery do Couto e Silva Tuesday at the War College (ESG) in Rio "served to reaffirm the government's pledge that the political opening will proceed normally despite the economic crisis." That explanation was given yesterday by Dr Guilherme Romano, a friend of the chief of the Civilian Household in Planalto Palace.

The minister, who was in Rio from Sunday to Wednesday, held meetings with regional leaders of the Social Democratic Party (PDS), as well as with General Geisel, Planning Minister Delfin Netto and his predecessor, Mario Simonsen, businessman Roberto Marinho and Marshal Cordeiro de Farias. General Golbery held all the meetings in the apartment of Dr Romano on Vieira Souto Avenue in Ipanema, except for the one he held with the former president, whom he made it a point to seek out.

The Lecture

Dr Guilherme Romano, a personal friend of Minister Golbery who acts as coordinator of the Rio PDS in his name, was one of the few persons outside of the ESG staffs to have access to the lecture of the chief of the Civilian Household of the Presidency of the Republic. He revealed that the minister "broadly covered the economic crisis and the machinery the government had at its disposal to cope with and overcome it."

"In his broad presentation and later in the discussions he engaged in with the students of the ESG permanent course," said Dr Romano, "Minister Golbery do Couto e Silva made it clear that, without fear of bogeys, the government will simultaneously implement a program of rigidly combating inflation and broadening the political openings." The minister's friend in Rio pointed out that "Golbery confirmed that President Figueiredo's democratic pledge will prevail and that included in it, naturally, are direct elections for governor and the whole senate."

Itinerary in Rio

Minister Golbery do Couto e Silva arrived in Rio at 1100 hours on Sunday. While still in the air base facility in Galeao, he conversed at length with

Marshal Cordeiro de Farias. He came from Brasilia accompanied only by the private secretary of the president of the republic, Heitor Ferrerira, and Col Rubem Ludwig.

From the airport, the minister went directly to the apartment of Dr Guilherme Romano on Vieira Souto Avenue in Ipanema, where he had lunch.

Only the relatives of the doctor, his host, were at the table; he has a large family, 5 children and 14 grandchildren. After lunch, the chief of the Civilian Household of the Presidency of the Republic rested for 3 hours. In the early evening he went to meet former President Ernesto Geisel, with whom he talked for almost 4 hours. At night, through the intermediation of Doctor Romano, he received the president of the Federal Savings Bank, Gil Macieira.

On, Monday, Minister Golbery arose at 0530 hours, took a quick walk along the beach promenade, accompanied by only Dr Romano. He spent the rest of the afternoon touching up the draft of the lecture he was to deliver the following day at the ESG. It was on that day, almost at nightfall that he received Minister Delfim Netto, who came from Brasilia to concult him on some pending problems in the economic area. When Delfim left, Mario Henrique Simonsen came in.

On Tuesday, in addition to the lecture at the ESG, Minister Golbery received businessman Roberto Marinho to which only the adviser to the minister of justice, Ernesto Doria, had access. It is known that the conversation centered mainly on television, focusing on the problem faced by the Associated Stations Network. The talks lasted one and a half hours.

On Wednesday morning, the chief of the Civilian Household of the Presidency of the Republic did not hold any meetings, limiting himself to visiting Dr Romano's Santa Lucia Clinic. He returned to Brasilia at 1500 hours accompanied by Heitor Ferreira and Colonel Ludwig.

Regional Meeting

Minister Golbery's only regional meeting occurred Monday night when Guilherme Romano gave a "mini-dinner", according to the host's own definition, to a select group of PDS politicians. Those present were Senator Amaral Peixoto, Vice Governor Hamilton Xavier, former senator Gilberto Marinho, Federal Deputies Hidequel de Freitas Lima, Darcilio Aires, Simao Sessim, Alair Ferreira and Saramago Pinheoro, State Deputies Jorge David and Waldenir Braganca and Mayors Ruy Queiros (Nove Iguacu) and Wellington Moreira Franco (Niteroi).

At the meeting between the chief of the Civilian Household of the Presidency of the Republic with the PDS politicians, it was agreed in definite terms that "it does not behoove the federal government to arouse hostility against Governor Chagas Feitas of the Popular Party (PP), but to establish the party

that is the successor to the National Renewal Alliance (ARENA) on a solid foundation in Rio," according to Guilherme Romano. He guaranteed that "all possible support will be given by President Figueiredo to those who pledge themselves to the party and are joining it."

As an immediate consequence of Minister Golbery's visit to Rio, Dr Romano said that he obtained the release of 630 million cruzeiros from contingency funds for urbanization and basic sanitation projects in the municipality of Nova Iguacu. At the same time, a number of petitions of the same nature made by Niteroi Mayor Wellington Moreira Franco were forwarded.

The federal government also decided to lend prestige to Senator Amarel Peixoto's alternate, former Deputy Alberto Lavinas who had belonged to the Brazilian Democratic Movement (MDB), in the southern areas of Rio markedly dominated by the political forces of the PP. For example, he was given the right as of Tuesday to capitalize a program that the Federal Savings Bank is going to carry out in the municipality of Volta Redonda, where it will build 3,500 low-cost homes.

Alberto Lavinas--who is acting senator because Senator Amaral Peixoto was operated on yesterday for hydrocephalus at the Santa Lucia Clinic-- through the intermediation of Dr Romano at Planalto Palace, has also achieved social success in Tres Rios, his home municipality: he released 30 million cruzeiros which the Federal Railway Network owed Santa Matilda, a railway car company, and with that money enabled the company last week to settle a strike by workers who were demanding back wages, within a few hours.

8711
CSO: 3001

ABI-ACKEL SUPPORTS CONSTITUTIONAL REFORM AFTER 1982

Rio de Janeiro O GLOBO in Portuguese 10 Jul 80 p 3

[Text] Brasilia--Justice Minister Ibrahim Abi-Ackel said yesterday that "the task of reforming the constitution must come after 1982 because a renewed congress under the aegis of a multiparty system will be much more representative of the pluralism of Brazilian society and, therefore, more authentically qualified to do that job."

After stating that, in any case, it does not behoove him to set dates for this or that reform, the minister of justice said:

"If someone convinces me that that task must and can be done before 1982 and if I become flatly convinced of the advisability of doing so, I will adopt that position. Up to this moment, I continue to state that the congress that will emerge from the 1982 elections will be more representative, will have more authenticity."

Opposition

Minister Abi-Ackel considers the collaboration of the opposition to be very important in the work of reforming the Brazilian constitution.

"Although I have no authority to make any criticism of the opposition nor to dictate rules of conduct for it," he said, "I believe that the opposition is led by men of the greatest ability, the highest degree of patriotism and great political experience.

"But," he continued, "there has been lacking on the part of some quarters of the opposition an attitude of analysis of the government's propositions; many of them having been rejected en bloc in the manner of 'I did not read them and I did not like them.' That translates into a radicalism that is prejudicial not to the government but to the country."

According to the minister, "it is necessary for the issues to be posed in an atmosphere of analysis, of criticism in the true sense of the word, because criticism is constructive, whatever it might be, in such a way as

to preserve the possibility of a contribution by congress in improving the proposals orginating in the executive branch. What is not constructive at all is a radical attitude."

Article 45

With regard to the report that he and Deputy Djalma Marinho (Social Democratic Party (PSD), Rio Grande do Norte) were working on a draft bill regulating Article 45 of the constitution (control of the executive), the minister explained that "what exists is a common concern about the subject, which does not translate into any commitment of a possible government proposition on the subject.

"We both believe that inasmuch as the legislative capacity of the parliaments of Brazil and the world have been drastically reduced, the parliamentarians now have to exercise the role of authentic representatives of the people through a real and effective control of the acts of the executive power. We both attach great importance to that subject. And I believe that from the sum of our contributions, to which must be added others, we shall arrive at a consensus regarding a quick reestablishment of that system of control."

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CSO: 3001

AIR MINISTER ON AIRCRAFT PRODUCTION, ARMED FORCES ROLE

Liberalization Not in Jeopardy

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 6 Jul 80 p 4

[Interview with Air Minister Delio Jardim de Mattos in Brasilia by Carlos Chagas, Jose Marcio Mendonca and Jorge Honorio: "Delio Sees no Risk for Liberalization"; exact date not given]

[Text] Brasilia--Air Minister Delio Jardim de Mattos is convinced the economic and social difficulties faced by Brazil will by no means hold back the liberalization process, much less cause institutional reversal. In an exclusive interview granted to O ESTADO DE SAO PAULO, he says that the Figueiredo government has been one of the most tranquil of the revolutionary period and everything is being done within the law, even when the military chiefs feel offended by a congressman, as in the case of Deputy Joao Cunha, and they decide to take the case to court. According to the air force general, subversion is under control, although "the price of freedom is eternal vigilance," necessary, he pointed out, to prevent a return to the conditions of 1963. Asked whether the opposition could elect the next president if it gets a majority in the electoral college, Delio replied: "We are within democratic normalcy and, if the solution is democratic, I, for one, would abide by it." Joao Figueiredo's successor could even be a civilian, in the opinion of the air minister, who explained that he makes no distinction between a military and a civilian president. In the interview given reporters Carlos Chagas, Jose Marcio Mendonca and Jorge Honorio, Delio Jardim de Mattos also refers to the censorship that existed in previous revolutionary governments, asserting that now "freedom is total and even somewhat distorted, as the press was out of the habit of exercising it for several years." Finally, the minister said he opposed nationalization, revealing: "The results obtained from the railway network discouraged us and led us to this policy" (of denationalization).

'Price of Liberty Is Eternal Vigilance'

[Question] Is the nation in a crisis?

[Answer] I don't see a crisis but, rather, difficulties, serious obstacles, mainly in the economic area, with social and political repercussions. But the major impact is in the social area. These obstacles are the fruit of inflation, of the foreign debt, of the energy crisis and the price of oil. If we did not have to buy petroleum with the response we have received from agriculture, we would be in an enviable position in the world. The response given by agriculture this year was a demonstration of confidence in the policy of Delfim Netto when he was minister of agriculture.

[Question] What are the repercussions of these difficulties in the political area? Could they hold back the liberalization process?

[Answer] By no means. When President Figueiredo took office he did so with the concept that originated in the Castello Branco administration and toward which President Geisel took the first steps but, for reasons unknown to me, was prevented from carrying to their conclusion. It is the concept of the return to democratic normalcy. The revolution since its beginning has shown great vision of the future; in assuring periodic changes in the presidency it enabled each one to bring certain changes and his own way of solving problems. And the most tranquil is really the Figueiredo government. It was chosen by President Geisel to carry out what had already been initiated; namely, the nation's return to democratic normalcy.

[Question] Might we consider subversion overcome or at least reduced to minimal significance?

[Answer] Subversion is under control. But I recall the expression of the UDN [National Democratic Union] which said that the price of liberty is eternal vigilance. This vigilance is necessary to avoid returning to the conditions of 1963. Beyond this, there is greater awareness of the problem within the opposition itself. Of course, there are still radicals, of the right as well as of the left, but, with the complete freedom of press and thought we have today, we know perfectly well what they are thinking and how they are acting.

[Question] In submitting the notice to the Justice Ministry, along with the ministers of the army and navy, to bring suit against Deputy Joao Cunha, did you contend that he merely offended the armed forces or that he endangered institutions?

[Answer] Believing in the democratic regime and feeling its institutions offended, the military ministers made a totally democratic appeal to the Justice Ministry, which is the normal path of this regime, to which we intend to return. Besides having offended the military institution, the deputy even offended the church. I, who am a Catholic, if I were permitted by law, would wear my first-communion medal with great pride.

[Question] In 1969, due to the temporary incapacity of then President Costa e Silva, the military ministers felt they should temporarily carry out their duty by not permitting Vice President Pedro Aleixo to take office. Have the conditions that led them to this position disappeared?

[Answer] They have disappearred. Today the situation is totally different. When I say that I believe in returning to democratic normalcy, it is because I must believe in what is written in the law.

[Question] If the opposition should happen to win majorities in Congress in 1982, it would have a majority in the Electoral College. Could they elect the future president? If they win, would they be able to take office?

[Answer] I must reply from the point of view supported by the president: we are within democratic normalcy and if the solution is democratic I, personally, will abide by it. But this is a question that should be put to the Electoral College rather than to the air minister.

[Question] Do you think it is possible for a civilian president to replace a military president in 1985?

[Answer] I see nothing preventing this from happening. I make no distinction between a military and a civilian president. As air minister I would be remiss if I were to look at the Air Force from only the military point of view rather than from the combination of responsibilities that fall to the Air Ministry, which is much greater in the civilian area than in the military.

[Question] How do you define the Revolution itself?

[Answer] The Revolution was really a counter-revolution, because the revolution was made by the government. It was responding to the appeal of the Brazilian population, especially Brazilian women, for the armed forces to acknowledge the nation's anxieties and put an end to what was happening.

[Question] Did the Revolution make errors in its time?

[Answer] Someone once said that only God is inviolable and immune. As He did not take an active part in the revolutionary process, then errors were committed and we are trying to correct them. Amnesty itself is a proof of this. When they speak of social justice, they only see the big cities. The Brazilian of the big cities does not know the interior of the country. The latter is the great victim; it provides free university education for the rich, and it doesn't even have a vocational school of its own. But during the last years of the Revolution there was very great development in the interior of Brazil, which constituted one of its major successes. Another great accomplishment was utilization of our energy sources. It is no small task to build an Itaipu hydroelectric station, but what we will gain in the future will be very significant. The investments in this sector will prevent Brazil from being shut down by the petroleum crisis.

[Question] Would you include the period of press censorship among the errors of the Revolution?

[Answer] I can't include it because at the time it may have been necessary. The Revolution felt that for its own self-defense it had to impose censorship. Every time there is a revolution, a counterrevolutionary attitude is created. But censorship was abolished as soon as possible. Today freedom is complete and even a little distorted, because the press got out of the habit of using it for a number of years. And now that it has come, there are excesses, which is normal, but it is up to management to avoid them; their responsibility is great. In the case of television, for example, which is not run by the state, it will have more to do with molding our youngsters' lives than the state itself.

[Question] What is the role of the Armed Forces in bettering the regime?

[Answer] Complying with their constitutional purposes, the armed forces are concerned with national security. At the same time we are concerned with training and preparing manpower, in the interior as well as in the big cities. We try to help those most in need. Every year 18-year-old youths come to the barracks undernourished and uneducated and leave in a better condition.

[Question] You have associated with President Figueiredo almost since school days. What can you tell us about him?

[Answer] I have known him since childhood. He is a good friend, very diligent, always concerned about the future, highly regarded by his colleagues. He was always one of the leaders of our class at the Military Academy. He played an important role in preparing for the 1964 movement, coordinating all liaison with Army units throughout Brazil. As president, he has made the commitment to return to democratic normalcy, realizing what obstacles he would have to face, even within the military itself.

[Question] Is the world in imminent danger of warfare breaking out?

[Answer] Imminent, no. But a series of incidents could lead to it. World power groups, because of their military might, must therefore be very cautious and responsible. As has been said, peace is the work of generations.

[Question] Must the armed forces be prepared for external threat?

[Answer] This is defined in the constitution. There is no country without armed forces. Fortunately, we do not have border problems. We live in a country of continental proportions united by a common language, by common thought. But, compared to our population, our armed forces are very small. We are working much more for the nation's development than for the armed forces as such. For example, the Air Ministry itself: what we spent for creating the ITA [Technical Aeronautics Institute] represented a tremendous effort. The viewpoint of those who created it was mainly directed at the

future. Today there is no industry in Sao Paulo that does not have engineers trained by the ITA. This later enabled us to create other research and development institutes for space activities, industrial development, in close association with Brazilian industry. We have even succeeded in creating an aviation industry of world prominence. Without ITA, we would not have had this base. The role of the CTA [Aerospace Technology Center] in solving the drought problem of the Northeast, in utilization of alcohol as a fuel, in engine conversion, in producing a national radar system, are good illustrations of our policy designed for the nation's development.

[Question] Has the Air Ministry been greatly affected by current difficulties in th economic and financial field?

[Answer] Of course the Air Force has suffered severe consequences. We are trying to shield the research and development sectors as much as possible. They represent a solid base for the future. We are working, within a basic 6-year plan, supported by domestic industry. This involves, for example, adapting the aircraft produced here to military use. The Bandeirante is now used in versions for transport, patrol, photography and even search and rescue.

[Question] Is the Air Force now properly equipped for complete patrol, liaison and defense of our territory?

[Answer] I have said many times that we are a poor air force. We must use our creativity to be able to meet our needs without jeopardizing development; using our own resources, providing employment, working, developing our industry. Within the panorama of South America, with no worries about war, we are working professionally with what we have, concerned more about development than about security as such.

[Question] You believe, then, that development takes precedence over security?

[Answer] A nation is strong militarily only if it is strong economically.

[Question] Within the 6-year plan, what are the immediate plans for reequipment and acquisition of new materiel?

[Answer] We have always imported combat aircraft, but now we are going to produce them in association with Italy. We will participate from the project through to exporting, which means an increase of our technology, acquisition of new techniques, creation of jobs, more industrial independence and profit from export sales. This aircraft, a subsonic attack plane, resulted from a study made by the General Staff, where the operational requirements for meeting the needs of the Air Force and having export possibilities were established.

[Question] Will the Catalinas be deactivated, after serving so effectively for so many years?

[Answer] Regrettably, the fact is that their age forces us to do so. If men can be deactivated, I suppose aircraft can also. Right now there is no seaplane that can serve effectively in the Amazon region. But we are replacing the Catalinas with helicopters and building landing fields in the region. Our work in the Amazon region was always more social than military. The Air Force has always served, without show. It serves with pride, with pleasure, even with affection. Many people are unaware that the mayors of cities in the interior have instructions to send a radio message when necessary requesting our services. I remember well the first hospital I flew to Acre.

[Question] Does Brazil have room for another helicopter factory?

[Answer] HELIBRAS [Brazilian Helicopters, Inc] has been established but it meets only part of our needs. It is a very sophisticated industry and we need technology transfer.

[Question] Why does civil aviation remain within the scope of the Air Ministry and not the Transport Ministry?

[Answer] It is necessary for air power to be unified. Civil aviation is an active reserve of the Air Force. The flight protection system and unified air defense give us a good example.

[Question] Why is the VARIG [Rio Grande do Sul Air Line]-Cruzeiro conglomerate the only one authorized to carry passengers outside Brazil?

[Answer] This is part of aviation policy. This group was awarded the Brazilian flag because its international counterparts that compete in the market are nearly all--except for the Americans--government owned and operated. If we were to disperse our resources, we would be destroyed by the competition. Air France, Swissair, Alitalia, all belong to their governments. So we must make it possible to compete, to concentrate our resources and not scatter them. But a ministerial decree now permits VASP [Sao Paulo Air Line] and Transbrasil to carry cargo and mail abroad.

[Question] Do you see any chance for AEROBRAS to be created?

[Answer] I am against nationalization. We are on the right road, the road to denationalization, to "privatization." The results we had from the railroad network discouraged us from such a policy. The domestic market has plenty of room for more aviation companies. Not like after the war, when we had 30 or 40 companies, but like now, with balanced competition, providing better services.

[Question] What has the Air Ministry been accomplishing in the social field?

[Answer] The primary concern in the Air Ministry has always been our men. So much so that we are creating an Air Ministry building and loan bank for home ownership, first for those with lower income. We will think about the

officers only after we have taken care of the stewards and the sergeants. Also within the department of Air property, we are going to build 4,000 units of employee housing. In doing this we are both meeting the needs of our employees and aiding the government's social plan for home building. All this without involving money. Selling and exchanging land with the BNH [National Housing Bank] and receiving credit for building employee housing. Private homes will be built through the Air Ministry real estate financing bank, within the capacity of each person. If a house were to be built and later the steward could not afford to buy it, we would not be meeting our objective, which is to take care of the lower-income personnel. There are houses throughout Brazil.

[Question] What is being done in the training field?

[Answer] The Air Force has a school so that all sergeants, except musicians, have the same training. Every yaer our school graduates 900 to 1,000 sergeants and they are the support base for the Air Force. They come out with a very good scholastic level, equivalent to high school, and qualified to enter a university. The officers now go through the Air Force Academy in Pirassununga, which trains aviators and administrative officers. There is a School for Air Force Specialist Officers in Curitiba and an engineering school in Sao Jose dos Campos, which is the ITA.

In the case of the sergeants, it is very good and qualified manpower that we are turning out. For this reason, we are now thinking of using noncommissioned officers through captain. We are going to use this man with tremendous experience when we need an expert such as he.

Aircraft Production Goals Outlined

PY110152 Brasilia Domestic Service in Portuguese 2200 GMT 10 Jul 80

[Excerpts] Air Minister Delio Jardim de Mattos today lectured War College students in Rio de Janeiro.

In a general statement, the minister said that the Brazilian Air Force has been seeking resolutely to consolidate its credibility in the continent through operational effectiveness and the independence stemming from making its own equipment. He noted that the aerospace industry has been an important factor in consolidating Brazilian aerospace policy.

He also reported that the Brazilian Aeronautics Company expects to produce 500 planes in 1980 with an estimated sales volume of 7 billion cruzeiros in Brazil and $100 million--nearly 5.2 billion cruzeiros--abroad.

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REPORTAGE ON JAPANESE INVESTMENT INTERESTS

Increased Food Imports

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Jul 80 p 26

[Dispatch by special correspondent Sinesio Fogaca de Almeida]

[Text] Tokyo--For many Japanese businessmen, inflation is not the greatest danger to their investments in Brazil, although it is true that they continue to be very concerned about it. Although they consider an inflation rate of almost 100 percent during the last 12 months and of more than 40 percent for the period January-June too high, they continue to regard Brazil as a good partner but they are asking for a clearer definition of the government's economic policy as the only way of keeping the trust of the Japanese business community and eccouraging it to increase investments in the country.

That lack of definition to which they refer, giving as the best example the December "package," is frequently cited by the economists and businessmen who make up the Business Association of Japan (Keidanren), the Japanese Institute for Economic and Social Affairs (Keizai Koho Center) and the Association of Japanese Companies Abroad, who complain very much about the surprise and the way the decisions on currency maxidevaluation and cancellation of some government incentives were taken. In the latter case, the biggest complaint comes from the shipbuilding sector, one of the hardest hit by what the Japanese call the Christmas "package."

The Japanese businessmen now are not talking much about new investments, preferring to put greater emphasis on trade exchange. Thus the official mission that will visit Brazil beginning on 19 July is the largest Japan has ever sent to Brazil (about 100 businessmen). The main objective of the mission--headed by Seiki Tozaki, president of C. Itoh, and organized by the Ministry of Industry and Commerce of Japan (MITI)--is to increase trade exchange between the two countries, which last year amounted to $2.4 billion. Of that total, Japan imported $1.3 billion and exported $1.1 billion.

Basically, they are interested in increasing the import of foodstuffs; in addition, they have practically decided to guarantee the purchase of one-third of the iron ore to be produced in Carajas. To definitely resolve

what will be the Japanese participation in the Carajas Project, another delegation is scheduled to visit Brazil this year to hold negotiations with the management of the Vale do Rio Doce Company.

Rules of the Game

With regard to new investments that may be discussed by the members of the mission, the Japanese let it be known that it will be up to Brazilian economic policy to attract them. Among these factors, the clear definition of an economic policy that does not change the rules of the game is what will determine how much, where and how their investments in Brazil will increase.

Officially, the Japanese Ministry of Finance believes that Brazil should continue to receive investments, mainly because the Japanese prefer that in the next 20 years the first of the three possibilities forseen in a recent study of the Organization for Economic Cooperation and Development (OECD will prevail: namely that the current outlook for ollaboration between the developed and developing countries will continue unchanged until the end of the century.

The Japanese fear the possibility that one of the other two possibilities in that study may prevail and have the greatest interest in maintaining Brazil as a good partner for both trade exchange and new investments.

According to the OECD, in the next 20 years, one of three possibilities could occur in the world economy: in addition to the current outlook remaining unchanged, there could be a confrontation between the north and the south (with the industrialized countries joining in a sort of pool to face the others, especially the members of OPEC), a break among the developed countries with the formation of blocs headed by large powers with the others as satellites. In the latter case, the study foresees the United States allying itself with the countries of Latin America, Japan with Asia, and Europe with the African countries.

Since neither of the latter two possibilities is of interest to Japan, it seeks to develop closer and closer rapprochement with its present partners. In that context, Brazil assumes great importance not only because of the level of the already existing relationship but also for purely sentimental reasons represented by the fact that it is the Latin American country with the largest number of Japanese imigrants.

Japan Wants Industrial Products

Rio de Janeiro O GLOBO in Portuguese 12 Jul 80 p 17

[Dispatch by special correspondent Fernando Luz]

[Text] Tokyo--Brazilian industries exporting to Japan automobiles, radios, calculating machines, in addition to iron ore, foodstuffs and wood pulp--that is a fact that would shock one at first glance. After all, Japan today

has one of the strongest economies in the world (Gross Industrial Product: $1 trillion) precisely because of its ability to priduce better and cheaper than other countries.

However, the possibility should not be discounted. According to the journalist Tomohiko Etoh, columnist for the newspaper NIHON KEIZAI SHIMBUM, (the spokesman for the powerful Federation of Industries of Japan--Keidanren), the forthcoming Japanese businessmen's mission that will arrive in Brazil on 19 July will be prepared to examine that possibility.

Moderate Nationalism

"If Japan wishes to put into practice a policy based on the complementing of the two economies, is it not natural that it should also import industrial products?"

Tomohiko Etoh repeated that question in one of his recent commentaries in the Japanese newspaper, attributing it to an influential personality in the Brazilian Government, and the spokesman for a position that is beginning to gain strength in the country: that of the moderate nationalists bent on seeing that the economic relationship with the developed countries will give Brazil the opportunity for a greater share of the world market of added-value goods.

According to Etoh, Brazil is an open country, without prejudice and pro-Japanese. What he calls the nationalist movement "needs to be understood by Japan," whose first sign of good-will in that regard is taking form with the arrival in 19 July of the biggest Japanese mission ever sent to Brazil. According to him, the absolute priority of the Japanese businessmen will be to understand in depth what is happening today in the Brazilian economy and the aspirations that motivate the effort that certainly is leading Brazil to become one of the great nations of the world within the next 30 years.

However, that attitude does not stem from a perspective of gratuitous generosity by the Japanese. On the contrary, it is pure pragmatism based on favorable conditions that were established in the course of the relationship between the two countries.

Japanese businessmen and government officials are concerned about the tendency of their trade balance at a time when the nations are protecting themselves and restricting their foreign purchases more and more. It is difficult to maintain high rates of investment abroad at the same time they sustain their industrial park.

The solution is to continue pedaling the bicycle (in order not to fall), carrying out concerted efforts with a view to continuing its exports to the countries of the Third World. The Japanese mission that is coming to Brazil is carrying that scenario in its baggage, added to the Brazilian desire to achieve a stronger degree of economic complementation. From the meetings between Brazilians and Japanese may then emerge a solution, a course that meets their interests.

Savanna Exploitation Poses Problems

Rio de Janeiro O GLOBO in Portuguese 7 Jul 80 p 18

[Dispatch by special correspondent Fernando Luz]

[Text] Tokyo--The agricultural utilization of the savanna region in Brazil with Japanese participation is facing two obstacles today: inflation and the delay in establishing the infrastructure of support for the farmers, which may jeopardize the joint effort in that area begun by the two countries in 1972. That is the opinion of Takashi Hissame, the president of the Brazil-Japan Agricultural Development Company, created to support the emergence of a new area of food production in the world.

In 1972 when difficulties occurred in Soviet production, the USSR made massive purchases of grain on the world market, substantially altering trade conditions and causing tensions in view of the imbalance between supply and demand. One of the countries to feel that new situation most seriously was Japan, a strong and traditional food importer. In view of that situation, former Prime Minister Kakuei Tanaka proposed Japanese aid to jointly exploit the savanna region with Brazil.

Despite some initial political difficulties, with some quarters in Brazil accusing Japan of being interested in creating a security reserve for its own supply, the project went forward. After the 1974 visit to Brazil by the Japanese minister of agriculture, H. Kuraishi, and the continuation of the negotiations the following year through former Minister Alysson Paulinelli, former President Geisel visited Japan in 1976, when the cooperation agreement was signed and the company which is today charged with establishing the project was established.

However, 2 more years were necessary to decide if the project would be established in the form of small or large modules. The Brazilian side, alleging that a pilot experiment had been carried out successfully in Sao Gotardo, Minas Gerais, believed that the experimental phase was over. The Japanese held the opposite opinion and managed to make their point of view prevail but they provided specialists and equipment for in-depth research in the area.

The project is already establishing the conditions for settling farmers in Paracatu, Coromandel and Irai in the Brazilian Center-West, in three areas totaling 50,000 hectares to produce soybean, corn, sorghum, wheat, coffee and fruit. The Japanese will allocate 3 billion cruzeiros to the project for that purpose, (the amount had been estimated at 600 million cruzeiros when the agreement was signed but it had to be updated due to inflation), and when the experiment has been implemented the supply priority will be the domestic market.

According to Takashi Hissame, the installation period is over. But he has one doubt: how to go from the experimental phase to the practical one if

inflation is increasing the costs and if, at the same time, there is a lack of coordination aimed more at resolving the problems of infrastructure for the distribution of production? In his opinion, the answer may be found with the coming of another mission to Brazil, sponsored by the Federation of Commerce and Industry (Keidanren) which will arrive in Brazil on the 20th [as published]. "We can establish procedures that will make it possible to solve these problems with this new round of talks," he concluded.

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INDUSTRIAL PRODUCTION UP 6.3 PERCENT IN YEAR; RIO BELOW AVERAGE

Latest 12-Month Figures

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Jul 80 p 25

[Text] Rio de Janeiro--Manufacturing industry grew 6.34 percent in the latest 12 months (May 1979 through May 1980), according to data published by the IBGE [Brazilian Institute of Geography and Statistics] Foundation.

The minerals extraction industry, however, grew 19.23 percent in the same period, showing a rising trend in the last 5 months, having grown 10.08 percent in the 12 months through January, 13.95 percent through February, 15.91 percent through March and 18.4 percent through April.

The industrial production indicators furnished by the IBGE Foundation are Laspeyres "quantum" indices, weighted according to the 1970 industrial census. The products included in the manufacturing industry indicator represent 57.8 percent of the manufacturing industry's value in 1970; and those of the extractive industry, 82.8 percent.

The trend of industrial production, according to the IBGE data, is declining, since through January of this year it was 6.90 percent; for the 12 months through February, 6.97 percent; through March 7.21 percent; through April, 6.79 percent; and through May, 6.34 percent.

The principal subsectors responsible for industrial production growth in the period were: minerals extraction (iron ore, crude petroleum), up 22.52 percent; machinery (bulldozers), up 3.94 percent; rubber (tires for tractors, agricultural machinery and bulldozers), up 2.16 percent; pharmaceuticals (anti-inflammatory and anti-rheumatic), up 2.05 percent; metallurgy (coils and hot-rolled sheets--up to 4.75 mm--not plated), up 1.41 percent.

The sectors that are declining the most are: beverages (other fruit juices), down 22.05 percent; plastic materials (sheets of plastic materials), down 15.54 percent; transport materials (vans and utility vehicles of less than 100 HP, passenger automobiles), down 12.93 percent; apparel (leather footwear), down 9.82 percent; tobacco (cigarettes) down 8.21 percent; electrical

material (wire, cable and conductor of "bore" [translation unknown], bare), down 8.09 percent; chemicals (raw castor oil, gasoline, sugarcane alcohol), down 7.64 percent; nonmetallic minerals (glass bottles), down 7.74 percent; textiles (artificial and synthetic woven fabric, raw cotton except linters, blouses, sports jackets and knit sport shirts), down 2.91 percent; food products (refined peanut oil), down 2.24 percent; paper and paperboard (wrapping paper, cigarette paper, offset paper), off 1.69 percent; perfumery (shampoos, candles of stearin or wax), down 1.64 percent.

Rio State Below Average

Rio de Janeiro O GLOBO in Portuguese 7 Jul 80 p 13

[Text] Brasilia--Industrial production in Rio de Janeiro State grew 3.36 percent in January through April this year, as compared to the same period last year--less than the national average, which was 7.13 percent.

The data are from the IBGE Foundation and reveal, further, that production in the Northeast region fell 3.14 percent during the 12 months ending in April, as a result of the decline in converting industry (4.14 percent), partially offset by a growth of 1.3 percent in the minerals-extraction industry. In the South region, however, industrial production increased 8.43 percent, with manufacturing industry expanding 8.3 percent and minerals extraction 13.78 percent.

Automobiles

The data for Sao Paulo show a 6.96 increase in manufacturing industry. The transportation material subsector, which for the 12 months ending in March expanded 8.2 percent, fell to 2.23 percent in April, mainly as a result of the metalworkers' strike in the automobile industry.

The IBGE data subdivided to the state level (until now only the April indicator referring to the nation as a whole had been published), despite the variations, are consistent with the forecast by the National Association of Investment Banks (ANBID) of 8 percent growth in Gross Domestic Product (PIB) in the first 6 months. Even the slower growth in industrial activity occurring from March to April (the general indicator fell from 9.18 percent to 7.13 percent), if confirmed in the coming months, does not compromise the prediction, as a pronounced growth in agriculture is expected.

According to IBGE data, the state having the highest growth rate in the 12 months ending in April was Minas Gerais, with 9.78 percent. Including the automobile industry, the rate [illegible] 9.97 percent. But in Pernambuco it was 2.17 percent.

In Rio de Janeiro the minerals extraction industry fell 0.4 percent, while the manufacturing sector increased production 3.4 percent. In this sector, the highest growth was that of the plastic materials industry, with 39.25 percent.

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STEEL PRODUCTION RISES 13.2 PERCENT IN FIRST 6 MONTHS OF 1980

Sao Paulo O ESTADO DE SAO PAULO in Portuguese 10 Jul 80 p 33

[Text] Rio de Janeiro--Brazilian steel production in the first 6 months of 1980 was 7,486,000 tons compared to 6,614,000 tons in the same period last year, representing an increase of 13.2 percent, according to data reported yesterday by the Brazilian Iron and Steel Institute (IBS).

June production was 1,260,400 tons of steel, including 840,400 tons of ingot, 409,500 tons of continuous-cast ingot products and 10,500 tons of foundry steel. Compared to June 1979, the increase was 8.8 percent.

The IBS points out that rolled-steel production in June was 14.1 percent greater than production in June 1979: 619,900 tons of flat-rolled and 457,000 tons of nonflat-rolled steel.

June pig-iron production was 843,300 tons, compared to 796,900 tons produced in the same month last year; the data refer only to production by integrated mills and exclude production by independent pig-iron producers.

Average daily production was 28,300 tons of pig iron, 42,100 tons of steel and 35,900 tons of rolled steel.

The IBS also reported that regional steel production in June was: Minas Gerais, 469,400 tons; Sao Paulo, 415,800 tons; Rio de Janeiro, 271,000 tons; other states, 104,200 tons.

USIMINAS

USIMINAS [Minas Gerais Iron and Steel Mills, Inc] produced 256,720 tons of molten steel in June, ending the first 6 months with total production of 1,694,935 tons and reaching its forecast for the year of 3.5 million tons, now that the third stage of the expansion plan for the Intendente Camara mill in Ipatinga has been completed.

The company's sales of steel, including the domestic market and exports, were 4.6 billion cruzeiros in June, when production was less than in the 2 preceding months--269,639 tons in May and 312,000 tons in April. The company also reported that it is already making adjustments within the system for restricting costs and investments as established by the federal government.

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BRIEFS

LOWER GRAIN HARVEST--Brasilia--According to the Production Financing Commission, the corn, bean [feijao] and wheat harvests will suffer a reduction. In comparison to last year the area of planted in wheat has decreased by 20-25 percent; that of beans, by 9 percent; and that of corn, which had been predicted to equal last year's production, has also suffered a considerable reduction. According to the Commission, the corn situation is the most serious because the northeastern harvest has been hit by the current drought and is more or less worthless and Brazil is having to import more corn than had been predicted. [PY151644 Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 15 Jul 80]

FOREIGN INVESTMENT--Jose Carlos Serrano, director of the Central Bank Foreign Department, has reported that foreign investment in currency in Brazil reached $727 million as of June this year. That is, 4 percent higher than invested last year during the same period. He added that the government regards as satisfactory the level of foreign investment during the first half of this year. [Brasilia Domestic Service in Portuguese 2200 GMT 14 Jul 80]

UNION LEADER'S HOME ATTACKED--Belo Horizonte, Brazil, 29 Jul (AFP)--It was learned here today that the house of an important Brazilian union leader, Joao Pires de Vasconcelos, was attacked last night. Unidentified persons entered the house of the former president of the Metal Workers Union in Joao Monlevade (Minas Gerais), turned on the gas and set fire to a package of newspapers under the television set. The union leader's son was sleeping in a bedroom, but Joao Pires de Vasconcelos, who has been threatened for several weeks, arrived in time to prevent drastic consequences. Observers linked this attack with the worsening of the activities of right extremists who a few days ago threatened opposition figures and set fire to several newspaper stands. [Text] [PY281627 Paris AFP in Spanish 1523 GMT 28 Jul 80]

FOREIGN DEBT PAYMENT--During the term in office of Gen Joao Baptista Figueiredo from 1980 through 1985, Brazil should pay back $13.6 billion in amortization of the foreign debt, that is: 67 percent of the debt balance accumulated by the end of last year, when it stood at $49.9 billion. [Rio De Janeiro O GLOBO 14 Jul 80 p 20]

GENERAL TO RESERVE--President Joao Baptista Figueiredo has signed a decree whereby Gen Samuel Augusto Alves Correa, current Brazilian Ambassador to Iraq, is transferred to the reserve. The president also signed a decree retiring Gen Golbery do Couto E Silva, chief of the presidency's civilian household. [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 26 Jul 80 p 5]

NEW GOLD STRIKES--Brazil has discovered sedimentary gold in 48 areas with a production potential of nearly 300 tons per year. This tonnage is about 20 times more than that Brazil is extracting at present. [Rio De Janeiro O GLOBO in Portuguese 24 Jul 80 p 1]

ALCOHOL EXPORTED--According to industry and commerce minister Camilo Penna, Brazil is selling fuel alcohol at $62 per barrel, mainly to the United States, Japan, and on a smaller scale to European countries. These export operations should bring Brazil revenues of $200 million in 1980. [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 22 Jul p 1]

SOYBEANS TO JAPAN--Brazil will export approximately 300,000 tons of soybeans and soybean meal to Japan. An agreement in this regard was signed today at Interbras [Petrobras International Trade, Inc] for $270 million. The agreement will be in effect for 3 years, from October 1980 to September 1983. [Brasilia Domestic Service in Portuguese 2200 GMT 30 Jul 80]

BRAZILIAN-ARGENTINE PIPELINE STUDY--Two Argentine technicians have come to Sao Paulo to study with their Brazilian counterparts the feasibility of installing a gas pipeline. The pipeline will be used to transport natural gas from Argentina to the state of Sao Paulo. [Brasilia Domestic Service in Portuguese 2200 GMT 28 Jul 80]

GDP GROWTH FIGURES--Economists of the National Investment Banks Association [ANBID] have estimated that Brazil's GDP has grown by 8 percent during the first half of this year. They anticipate a lower growth percentage for the second half of this year, taking into account the cutback of government expenditures. [PY102027 Rio De Janeiro O GLOBO in Portuguese 6 Jul 80 p 1]

IRON EXPORTS--It was reported here today that Brazilian iron exports in the first 6 months of this year registered a 25-percent increase in comparison to the same period in 1979. A spokesman of the Rio Doce Vally Company said that between January and June 1980, 33,032,000 tons of iron were sold. [Paris AFP in Spanish 1614 GMT 3 Jul 80]

JUNE INFLATION RATE--The Brazilian economic institute of the Getulio Vargas Foundation today officially reported that the inflation rate in June reached 5.8 percent, thus bringing the accrued inflation rate during the first half of this year to 40.4 percent. [Sao Paulo O ESTADO DE SAO PAULO in Portuguese 0230 GMT 8 Jul 80]

EMBRAER SALES CONTRACTS--The Brazilian Aeronautics Company (EMBRAER) plant in Sao Jose Dos Campos has signed sales contracts for 60 bandeirantes aercraft, of which 47 planes will be for export, especially to the United States. The value of these contracts amounts to 3.8 billion cruzeiros. [Sao Paulo Radio Bandeirantes Network in Portuguese 1000 GMT 21 Jul 80]

HELIBRAS LATIN AMERICA SALES--HELIBRAS [Brazilian Helicopters, Inc] is making its first contacts with Chile, Bolivia and Paraguay for the purpose of exporting the 5-seat Gaviao ["Hawk"] and the 6-seat Esquilo ["Squirrel"] helicopters. The helicopters, assembled at the rate of one and one-half per month, are produced by HELIBRAS in Itajuba, in southern Minas Gerais. [Text] [Rio de Janeiro O GLOBO in Portuguese 10 Jul 80 p 24] 8834

CSO: 3001

BRIEFS

FARC MEMBERS ARRESTED--Barranquilla, 6 Aug (EFE)--A military source today reported that four members of the Marxist revolutionary armed forces of Colombia (FARC), specialized in kidnappings and terrorist acts, were arrested here. Plans for future attacks, automatic weapons, explosives and subversive propaganda were seized from FARC members Rodrigo Bastidas, Gabriel Gutierrez, Bernardo Rodriguez and Namael Gutierrez. The guerrillas were apparently involved in the kidnapping of American biologist Richard Star, who was released several months ago in southern Colombia after a large ransom was paid. [Text] [PA062224 Madrid EFE in Spanish 1531 GMT 6 Aug 80]

ALLEGED M-19 MEMBERS RELEASED--Bogota, 5 Aug (AFP)--An official source has reported here that 5 of the 200 alleged members of the Colombian extremist 19 April Movement M(M-19) were released today by order of the court-martial trying them. The military court decided that there was no proof against four of them and that the sentence against a fifth individual would be minor if he was found guilty, so it ordered their release. All of them spent more than 1 year in prison as a result of the operation carried out by the army in January 1979 after the M-19 stole 5000 weapons from a military garrison in northern Bogota. It has also been learned that the court today finished the reading of the huge file of documents against the M-19. The file consists of some 60 notebooks with more than 70,000 pages and other enclosed documents. It is believed that this will permit the speeding up of the trial against the alleged guerrillas. The trial is being held in La Picota jail in Bogota. [Text] [PA070446 Paris AFP in Spanish 0509 GMT 6 Aug 80]

CSO: 3010

'RADIO RELOJ' EDITOR COMMENTS ON VISIT TO NICARAGUA

PA311636 San Jose Radio Reloj in Spanish 1730 GMT 30 Jul 80

[Text] Life in Nicaragua is completely normal. The people are full of hope. The Nicaraguan situation is much better than before but there is a lot of unemployment. The people do not believe in Marxism and do not think that Marxism will take over the revolution. They are continuing to work very hard within a climate of peace and tranquillity.

Hugo Espinoza, our chief editor, has been traveling alone in Nicaragua for 1 week in one of the company cars. He is talking with the people, staying at hotels and analyzing the Nicaraguan situation. Nobody knows he is a newsman.

Let us listen to one of several commentaries that Hugo Espinoza has made from Managua after traveling through various towns and along various roads for 7 days.

[Live telephone relay] With patience, uncertainty and hope the Nicaraguan people have seen the development in the areas of education, agriculture, industry and infrastructure, in a nation that had several cities practically leveled by the war which brought about the fall of the Somoza dynasty.

The amount of international aid for Nicaragua has reached many millions of dollars, from the richest powers to the poorest nations all friends of these noble people.

Undoubtedly, on the anniversary of the victory, which was celebrated with pomp, there are still many questions as to what the final achievements of the new regime which overthrew a military government and a drastic dictatorship will be. Our listeners will recall that this dictatorship was characterized by very bloody stages.

At this time, the greatest emphasis is being placed on the literacy campaign. This is one of the programs that the Nicaraguan people are following with great interest. The national literacy program does not intend to pull thousands of Nicaraguans out of illiteracy by itself. It is aimed at preparing all the people and future generations to support the so-called free fatherland, Nicaragua.

This is how certain educational advances are being made through the literacy campaign, in which we observe not only a large number of youths involved, but many teachers, who have come from several nations such as Cuba and Costa Rica to give a further boost to the campaign.

There are certain things in the development of the educational plans which have prompted suspicion and fear, and others which have been described as extraordinarily good.

The performance of organizations called the Sandinist Defense Committees [CDS] is undoubtedly one of the steps which have brought order into the cities. The CDS is the mouthpiece of government measures which regulate public life in the country's largest cities.

I also want to report that the Nicaraguan Agrarian Reform Institute is planning to undertake an enormous task, the equitable distribution of the land. Meanwhile, in the cotton, coffee and other sectors, which are very important for the history and future of this country, several regulations are being implemented whose fruits are beginning to show. These regulations are aimed at enabling Nicaragua to have its own wealth and sources of income in order to satisfy the needs of the people.

In general terms, Nicaragua is a country developing normally at this time but presenting many questions for the future.

CSO: 3010

'GRANMA' ATTACKS U.S. ANTI-CUBAN, ANTI-COMMUNIST PRESS

Havana GRANMA in Spanish 10 Jul 80 p 6

[Article by Oscar Ferrer]

[Text] The communications media--newspapers, radio and television stations--aimed at the Spanish-speaking population in New York are now filled with threats and intimidations by groups of terrorists of Cuban origin who are apparently attempting to attain two basic objectives: to prevent the dissemination of news prejudicial to the interest of imperialism and to encourage the reader to buy a fascist rag called NOTICIAS DEL MUNDO [News of the World] whose circulation started in the New York area on 22 April 1980.

The censors-terrorists of the Spanish press of New York have the same attitudes as the administration of NOTICIAS DEL MUNDO. All of them are avowed anti-communists; both groups are raging enemies of the Cuban revolution and friends--and also servants--of fascist regimes such as those of Chile, Uruguay and Paraguay.

According to an article by Cynthia Brown, which appeared in the magazine, COLUMBIA JOURNALISM REVIEW, terrorist groups formed of Cuban counter-revolutionaries "by means of a series of intimidating tactics have created a climate of timidity and even of fear" in the newsrooms of newspapers and in Spanish radio and television stations.

These extreme defenders of imperialism, admirers of fascism and its application in Latin America, whose probable ties with the CIA cannot be ruled out, are censoring the Spanish press of New York and have resorted to the use of bombs and notes in which death threats are made against any "wayward" newsman.

In 1978, these terrorists, who are ideologically linked with the positions of those in the world who take it upon themselves to demogogically defend the so-called freedom of the middle-class press, made an attack on EL DIARIO-LA PRENSA and are the parties responsible for what Cynthia Brown in the COLUMBIA JOURNALISM REVIEW describes as follows: "The nearly 2 million non-English-speaking inhabitants of the area (New York) are subjected to a dangerously unbalanced diet of anemic political news."

Suspiciously, this campaign of intimidation and terror against the press organs cited coincided with the recent appearance of the libelous NOTICIAS DEL MUNDO, which has been characterized since its first issue by a clear predilection for attacking the Cuban revolution.

The latest New York newspaper for Spanish-speaking persons receives its major financial support from the self-styled South Korean Reverend Sun Myung Moon, a professional swindler who has become wealthy at the expense of a religious sect created out of his imagination which is operated to deceive the gullible. The newspaper receives additional economic assistance from private groups in Argentina, Chile and Uruguay.

Argentine Jose Antonio Cardinali, assistant editor of NOTICIAS DEL MUNDO, admitted recently that the newspaper is dedicated to combating communism and said that he, as a journalist and out of personal conviction, agrees with the objectives of the governments of Argentina, Chile, Uruguay and Paraguay.

In New York press circles it is said that NOTICIAS DEL MUNDO is also receiving government economic support from Argentina, Chile, and Uruguay, although Cardinali said that these are baseless allegations.

NOTICIAS DEL MUNDO, which has not received any threats from the censors-terrorists, is making an effort to give its readers a distorted picture of Latin American reality, as may be deduced from the words of its assistant editor, Cardinali, who said that his newspaper devoted four pages recently to Costa Rican President Rodrigo Carazo because "he is the man who can light up Central America."

Carazo's light, which could not provide illumination at the two meetings which Washington recommended that the Costa Rican president convene to become involved in the departure of antisocial Cubans to the United States, is presented by this fascist newspaper as a positive alternative for Central America, where imperialism is supporting regimes of blood and terror such as those of El Salvador and Guatemala.

NOTICIAS DEL MUNDO, a newspaper of fascists and anti-communists which assures its large circulation with the intimidating methods of terrorists of Cuban origin and which gives much praise to Pinochet and Carazo in its pages, will never take an opportunity to criticize those in New York who threaten to dynamite the other press organs directed at Spanish-speaking persons. A regrettable problem of space....

8143
CSO: 3010

'GRANMA' CRITICIZES DOMINICAN REPUBLIC'S PRESIDENT GUZMAN

Havana GRANMA in Spanish 10 Jul 80 p 5

[Article by Orestes Valera]

[Text] The problems of Dominican President Silvestre Antonio Guzman Fernandez are not with imperialism or with the repressive forces.

Among his many problems, the principal ones are centered on the Dominican Revolutionary Party (PRD) which brought him into the government; with the big businessmen who are demanding that he change policy; with the labor sectors; and, in general, with the Dominican people.

Don Antonio's crisis with his party is clearly reflected in the proposals being made, not only by the principal leaders but also by the PRD rank and file "who support the call for nationalization of the oil refinery--which was made by the left and supported by the PRD--revision of the contracts with multinational companies; collection from Gulf and Western of the 38-million-peso debt; a ban on luxury articles; a decrease in the prices of prime necessity goods; and administrative austerity."

The party's rank and file committees are demanding that Guzman carry out the government program which brought him to the presidency.

Juan Lopez, a member of the PRD's National Executive Committee and secretary-general of the Dominican Municipal League, asked Guzman "to take into consideration the views of Dr Francisco Pena Gomez when his decisions could affect the popular sectors."

Political factions within the PRD feel that "relations between the people and the government are seriously deteriorating which makes a search for a political solution to the situation mandatory."

In the Analysis and Perspectives section of the Dominican daily newspaper EL SOL, the following article appeared on 4 June 1980:

"The conviction of President Guzman and his advisers appears to be that the stage in which the role of the PRD masses was vital to his stability has

passed and that his defensive strength now reposes on military power and police repression, backed by the apparent support of the United States through its ambassador in the country, Robert L. Yost."

The article then adds: "Before raising the price of a gallon of gasoline to 2.39 [pesos], President Guzman gave no thought to the fact that he was passing through a moment of confrontation with his party's principal leader and consequently with the masses which the latter represents both inside and outside the PRD. In explicably, relations with his closest party ally up to that time, Vice President Jacobo Majluta, had entered a distinctly chilly, if not confrontational stage."

On the other hand, a large and reactionary sector of big businessmen are pressuring, threatening and demanding that Guzman break his ties with the PRD and administer the country in accord with the "businessmen."

Don Silvestre's most serious problems are with the labor sectors and, therefore, with the vast majority of the Dominican people.

The National Union of Telephone Workers, in a published document, after denouncing the repressive wave unleashed against the workers and the union movement, "categorically rejected the economic measures taken by the government because they are aggravating the present oppressive economy of the workers and the people in general, in addition to increasing the already high cost of living."

Criticism was also leveled against the "ill-advised economic measures taken by President Guzman's government" by the General Workers Federation, the Autonomous Confederation of Christian Trade Unions, the Worker Unity Union Movement, the National Telephone Union, the unions of "Rosario" and "Manicera," the National Association of Agricultural Professionals and the Association of Musicians, Singers, Dancers and Announcers.

The Dominican Medical Association (AMD), after expressing its concern over the consequences of the economic crisis, denounced the fact that "2 months have gone by since the hospitals have received their allocations" and exhorted the authorities to reconsider their latest economic measures.

The Dr Dario Contreras Hospital suspended outpatient and patient admission services on 3 June because it did not have supplies and medicines, having gone into the third month without receiving the official allocation, according to hospital director Dr Maximo Periche Vidal.

It seems that everyone in this country is unhappy with the president. The newspaper EL SOL recently published a report from which we have extracted these paragraphs: "Cambita, San Cristobal--What kind of a democracy is this where there is hunger, Mr President?" a young man boldly shouted into Antonio Guzman's face, after which he was taken prisoner by police agents who put him in a patrol wagon and took him to an unspecified location.

"The president gave no answer to the young man's surprise question; he merely looked at him in a perplexed manner as if to say: 'What is the matter with this fellow, and what does he want from me?'"

Although the newspaper does not say so, everyone surmises that Don Antonio looked at the young man the way an ox looks at a piano.

That is the way Don Silvestre is in the face of every problem: inept and submissive.

With respect to imperialism and the repressive forces, the "president" acts differently. To them he always answers "yes."

8143
CSO: 3010

HIGHER EDUCATION MINISTRY REVIEWS ACCOMPLISHMENTS, DEFICIENCIES

FL292113 Havana Doméstic Service in Spanish 2007 GMT 29 Jul 80

[Text] Fernando Vecino Alegret, minister of higher education, today made the closing remarks at a meeting to review the accomplishments of the 1979-1980 school term, held at the Sanguily Auditorium of the Havana University. During the meeting, which was also attended by PCC Politburo member and public health minister Serio Del Valle, a report was read which notes gains and deficiencies.

In the report first vice minister of higher education Benito Perez Maza referred to the revolutionary quality of our youth, which has been demonstrated by the students' consistent position with respect to socialism's principles. The report added that the current academic term has been characterized by the reaffirmation of the principle that the university is for revolutionaries when developing the study plan and deepening the student body's awareness and combativeness.

The incorporation of last school term's students into sugar mills' activities in an effort to solve the precarious situation in the mills with respect to highly qualified manpower was another matter taken up by the yearly report of the Higher Education Ministry. As a result of their performance, 541 youths from seven higher education centers were assigned to work in sugar mills. The document also stresses the reinforcement of the student aide movement and the advances made in scientific research work.

We are meeting for the fourth time to conduct an examination of 4 years of our ministry's work and point out the gains made thanks to the efforts of many as well as review deficiencies and difficulties still prevailing, Vecino Alegret noted in his closing remarks. Elsewhere, he referred to the importance of training specialists for the development of the country as the mission incumbent upon the Higher Education Ministry. He noted the high degree of politicalization of the university faculty which has always sided with the students when necessary and is willing to play whatever role is assigned to them in the education of the new generations. Other matters discussed by Vecino Alegret in his speech referred to the need for forming habits of study and work in all students, which will make it possible for them to seek new knowledge after graduation.

CSO: 3010

FAR COMMEMORATES FAPLA ANNIVERSARY

FL021512 Havana Domestic Service in Spanish 1045 GMT 2 Aug 80

[Text] The Revolutionary Armed Forces' [FAR] principal event marking the sixth anniversary of the founding of People's Armed Forces for the Liberation of Angola [FAPLA] was held yesterday at the Yuri Gagarin Military-Industrial Enterprise of the Revolutionary Air Force and Anti-aircraft Defense [DAFAR]. Stting at the presidium were DAFAR chief Div Gen Francisco Cabrera and Andres Neto, charge d'affaires of the People's Republic of Angola in our country, as well as other FAR chiefs and officers.

Col Diego Gonzalez, chief of the FAR Ministry Foreign Relations directorate, speaking on behalf of the Cuban side said that the creation of the FAPLA and the role played by it in the Angolan people's struggle for independence and sovereignty is one of the most significant and heroic events of its combat history. [Begin recording] In saluting the Angolan combatants, their people, the MPLA-Labor Party and their beloved president, Comrade Jose Eduardo Dos Santos, we reiterate the statement made by Commander in Chief Fidel Castro during his visit to the People's Republic of Angola: We are united not only by ideology but also by the blood shed by our peoples in the struggle against imperialism and for the victory of the peoples. We are certain that, as in recent days, you will defeat the aggressions by imperialism, racism and colonialism and will continue to be a firm bulwark of the African revolution. [End recording]

Andres Neto expressed his happiness in observing the 1 August anniversary in Cuba, and said that this anniversary marks one of the greatest gains made by the Angolan people, the establishment of the FAPLA as a national army. He recalled that his country has constantly been the victim of attacks by the South African racists. He said that the Angolan people do not want war but have learned how to wage it to be able to end it and live in peace. [Begin recording] I wish to congratulate the FAR combatants for their support of the FAPLA on the occasion of the sixth anniversary of its founding. I also wish to congratulate, and do so very sincerely, the PCC and Commander in Chief Fidel Castro, who tirelessly help our people to preserve their revolutionary gains.

CSO: 3010

CIVIL DEFENSE ANNIVERSARY MARKED

FL021153 Havana Domestic Service in Spanish 1045 GMT 2 Aug 80

[Text] The main event commemorating the 18th anniversary of the creation of the Civil Defense was held at the Prague theater in Pinar Del Rio. Sitting at the presidium were Jaime Crombet, member of the PCC central committee and first party secretary in the province; Col Juan Escalona, representative of the minister of the Revolutionary Armed Forces [FAR] for civil defense; and Orlando Lugo Forte [as heard], president of the Provincial People's Government Assembly; as well as other leaders and FAR and Interior Ministry chiefs and officers.

The closing remarks were made by Col Pedro Altet, chief of the Civil Defense General Staff. The pioneers conducted an emotional assault during which student (Maciel Nogueira) made a speech. The Lenin Primary School student stressed: [Begin recording] Today, on the 18th anniversary of the founding of this organization in which our working people proudly serve, a people who have attained many victories, such as Giron, the October Crisis and a more recent one, the march of the combative people, to them we say that the pioneers will continue to fight every time it becomes necessary, that we will continue to be better pioneers, better students and better workers. We will be better communists. [End recording]

Comrade Blanca (Amaran), member of the provincial secretariat of the Federation of Cuban Women, made a speech to convey greetings from her organization's members.

Lt Col Luis Valladares read a message of congratulations from the representative of the FAR minister for Civil Defense addressed to the officers, sergeants, soldiers and civilian workers of the organization

In his speech, Colonel Altet stressed that this 18th anniversary of the Civil Defense is being commemorated in an atmosphere of revolutionary fervor at a time when our people reaffirm their loyalty to the revolution and the commander in chief. He gave a detailed explanation of how the Civil Defense had been created in the midst of threats and aggressions

by imperialism against our people as a strategic factor in the strengthening of our country's defensive capabilities. He stressed that the glorious revolutionary national militias had been from the moment of their inception, the foundation for the creation of the Civil Defense, which is why the best and richest of our people's combat traditions are always present when fulfilling their tasks. [Begin Altet recording] On behalf of the FAR minister and the Civil Defense National General Staff, allow me to congratulate all Civil Defense members. We are very grateful for your active participation in the defense of the country, making the attainment of important gains in recent years possible. We exhort you to maintain and raise the level of your active and militant attitude in the defense of socialism, and wish you new successes in all work fronts, study and personal endeavors.

CSO: 3010

HUMBERTO PEREZ DISCUSSES 1980 ECONOMIC DEVELOPMENT PLAN

Havana CUESTIONES DE LA ECONOMIA Y PLANIFICACION in Spanish Jan-Feb 80 pp 12-34

[Speech by Humberto Perez, minister president of the Central Planning Board, at the Second Annual Regular Session of the National People's Government Assembly held on 26-27 December 1979: "Regarding the 1980 State Economic Development Plan"; for additional information on this topic see JPRS 74961, 18 January 1980, No 2098 of this series, pages 76-82]

[Text] Regarding the Draft National Economic Plan for 1980

At the request of the Council of Ministers, it is incumbent on us to submit the Draft National Economic Plan for the coming year of 1980. You have the Draft Law as a document to be approved, and, in addition to this, you have as extra material a report to the deputies (so termed), which is actually material of an illustrative nature.

Before proceeding to set forth the statistics in the Draft Plan for 1980, an assessment must be made of the execution of the plan for 1979.

The Overall Social Product, an indicator which reflects the nation's economic activity as a whole, was planned to increase by 6 percent. According to the latest estimates, it will increase approximately 4.5-5 percent. This year, the largest sugar harvest in our history second to the 1970 sugar harvest took place, with production of virtually 8 million tons of sugar, as you all know.

The generation of electricity increased about 12 percent in comparison with the previous year, and the installed capacity for generation increased by nearly 269 megawatts. In addition to the construction of electrical systems, there was an overfulfillment of the plan for the 33 kilowatt system in particular, with emphasis on the process of eliminating the "hookups" [lines for illegal tapping of electric power], which were mentioned this morning.

In the machine construction industry as a whole, a 15 percent increment was achieved. Noteworthy among this industry's products were harvesting machines, the production of which increased to more than double that of the previous year.

In bus production, considered as a whole and including both the larger and smaller types, there was an increase of 25 percent. In comparison with 1,800 buses the year before, this year about 2,300 will be produced.

An increase of 40 percent was achieved in railroad cars.

The production of sprinkler irrigation systems, and parts, pieces and fittings, increased over two and a half times.

Battery production was 20 percent larger in 1979, rising from 136,000 the year before to about 165,000 in that year.

The production of radio receiver sets increased over 15 percent, from 120,000 to 140,000 units.

An increase of 18 percent was attained in fertilizer production.

The production of pharmaceutical products increased over 5 percent.

Refrigerator production rose by 20 percent, totaling 55,000 units.

There was an increase of over 55 percent in the production of electric wire and cable for up to one kilovolt. From 26,000 kilometers the previous year, production this year will be about 40,000 kilometers.

The increase in dry cell battery production was nearly 60 percent, rising from 25 million units the year before to nearly 40 million units.

The increase in torula yeast production exceeded 70 percent, rising from 21,000 tons to nearly 38,000 tons this year.

The production of corrugated cardboard and Bristol board containers increased about 5 percent, totaling 75 million units.

Corrugated steel bar production increased 6 percent, and that of steel billets rose 14 percent, amounting to 300,000 tons.

The increase in the production of steel forms for prefabricated plants was almost 30 percent.

Paint production rose 15 percent, from about 14 million liters the year before to over 16 million this year.

The production of asbestos-cement pipes nearly doubled that of the previous year, totaling 980 kilometers.

The increase in concrete pipe production was over 15 percent.

Wall tile production increased 35 percent.

The milk industry also experienced an increment, particularly in evaporated milk. There was also a moderate increase in liquid milk, from 671,000 to nearly 674,000 tons.

There was a 45 percent increase in the production of candy and confections for export.

The production of canned fruits and vegetables increased 6 percent.

Beverages for native consumption increased 2.5 percent, and beverages for export 35 percent. There was a 7 percent increase in soft drink production.

In the agricultural-livestock sector, there was an increase of over 6 percent in egg collection, which totaled 1.84 billion units.

Milk collection increased 3 percent, totaling about 710 million liters for the year.

Citrus fruit collection increased 15 percent, amounting to about 330,000 tons.

Fruit collection increased 10 percent.

Even though the plan was not fulfilled, the total volume of investment in the country increased nearly 3 percent in comparison with the previous year, and 67 industrial projects were completed, noteworthy among which are: the Maximo Gomez Thermoelectric Powerplant in Mariel, with a capacity of 100 megawatts, and the Carlos Manuel de Cespedes thermoelectric powerplant in Cienfuegos, with 169 megawatts; the complex producing components for sprinkler irrigation systems in Cienfuegos; the plant producing wheels for heavy equipment in Havana; the Antillana Steel oxygen plant (second phase); the industrial gas plant in Marianao; the cellulose form factory in Havana; the Villa Clara textile complex producing 60 million square meters, which was opened recently; the wheat mill in Cienfuegos, and another wheat mill in Regla; an animal meal plant in Villa Clara; seven torula yeast plants; a plant producing particle board from bagasse at the Camilo Cienfuegos Sugar Mill; a slaughterhouse in Camaguey; a citrus fruit packing plant in Pinar del Rio, and another in Imias; and two liquid feed plants. The foregoing are among the main investment projects that have been finished this year.

Furthermore, 43 child day care centers were completed; as were 20 elementary schools, 105 intermediate schools, including 52 boarding facilities; two new

hospitals, 13 polyclinics and two dental clinics; 186 cattle facilities, eight for hog raising and 13 for poultry raising; and housing construction, although MICONS [Ministry of Construction] has not fulfilled its part of the plan (and it is the principal builder), with overfulfillment of the plan by other builders, through different agencies. There was also housing built by a part of the population, with their own resources; and the number of those recorded in this year's plan was approximately 20,000.

The number of children in day care centers increased 7 percent, totaling about 93,000.

The elementary school pupils in semiboarding facilities increased 7 percent.

Enrollment in intermediate schools rose 8 percent, amounting to nearly 1.1 million. Of that number, the boarding student enrollment increased 16 percent, totaling almost 550,000.

The enrollment in institutions of higher learning increased 12 percent, totalling nearly 160,000.

The beds available for medical treatment increased by 2 percent.

The retail trade, that is, the products sold in the retail system, increased 5 percent in comparison with the year before.

The ratio between the population's income and its expenditures reached a balanced state this year.

Nevertheless, it has been a year with various difficulties, which have caused our economic activity to take place in a complicated manner, with several instances of nonfulfillment of plan.

Among the factors that have been present, we could list objective and subjectives ones; but, this year, the objective factors have really carried great weight, without at any time serving as grounds for concealing the shortcomings that have existed in the running of the economy (as Comrade Raul Castro told us in a recent speech).

Among the objective factors, as you all know, has been the presence of diseases in agriculture: blue mold, affecting tobacco, which struck about 25 percent of the previous crop and which is starting to affect the planting that is being done at present to some extent.

Furthermore, there has been the sugar cane disease known as rust, concerning which you have read reports in our newspapers and have heard statements made. It has struck our country's cane growing area and has made a considerable reduction in the possibilities of producing cane and sugar next year.

During the course of the year we have had problems with our external supplies, on many occasions for reasons dissociated from our desires and our management.

At one point there were problems with caustic soda, which is used to produce soap and detergents, and that led to a shortage of that product for a few months during the first part of this year.

We had serious difficulties in importing lumber, especially up until October.

This was one of the main factors that has interfered with our fulfillment of this year's plans, particularly the construction plans.

We have encountered problems involving the arrival of raw materials for fertilizers.

There was an unexpected breakdown at the Nico Lopez Refinery which (as you know) affected the supply of gas to the population during part of the year.

There were considerable difficulties in salt production, due partly to the lags in investments which are under way for the purpose of meeting the country's needs for salt, but also due in part to rainy weather which is damaging in the areas where salt is produced.

To a lesser extent, but also causing harmful effects in certain sections of the country, we had above average rainfall, and hurricane "Frederick" (as you may recall) struck the western part of the country, affecting certain types of agricultural production.

The price of sugar has also been a limiting factor (as you are aware), standing far below the average worldwide production costs during 1976, 1977, 1978 and 1979. Sugar production costs on an international scale are estimated at about 14 cents a pound, and the prices have been slightly over 7 or 8 cents.

Owing to this, the products which we import from the capitalist area have undergone constant, systematic price hikes, which have often risen sharply and suddenly.

By way of example, we can cite some products which we import from the capitalist area, noting the price increases that have occurred in just one year, 1979, in comparison with 1978.

The price of powdered milk has risen from about 330 pesos per ton to 584.

The per ton price of beans, which was 324 pesos, is now 480 pesos, a virtual 50 percent increase. In the case of powdered milk, the increase was nearly 80 percent.

In the case of dodecylbenzene, one of the raw materials that we use to produce detergent, the price rose from 323 pesos a ton to 730, more than doubling. In the case of lumber, it increased from about 118 pesos per cubic meter to 155, a 31 percent hike.

The 160 peso price for soybean flour is currently 190, and the 79-80 peso price of corn is now between 105 and 110 pesos, a 34 percent increase. A chemical raw material, dicalcium phosphate, used to make feed, which cost 145 pesos, is now priced at 187, increasing 30 percent. The 670 peso price of natural rubber for making tires and other products is currently 950-960 pesos, increasing 43 percent. The 9,300 peso price per ton for tin ingots is now about 12,600 pesos; the price of lead ingots has risen from about 390 pesos per ton to approximately 880 pesos. The former price of about 930 pesos for heavy copper wire is currently over 1,200 pesos; the former sheet metal price of about 470 pesos is now more than 510; the former basic lubricants price of approximately 150 pesos is now 240 pesos; and red lead oxide, a raw material used to produce paint, has had a price increase from about 515 to nearly 860 pesos; while the price of gray lead oxide, another raw material for producing paint, has risen from about 550 to approximately 870 pesos.

We have selected a group of products as an indication of the size of the increase in prices for products which we must purchase from the capitalist area; not to mention replacement parts, the prices of which in some instances have risen three, four and, on occasion, more times.

In addition to these factors that have been listed, there are the subjective factors: an inefficient management of our economic resources and our production plans; a lack of action; and a lack of responsibility on many occasions.

All these factors combined have brought about nonfulfillment of the economic plan as a whole, and nonfulfillment in various areas; in spite of which we achieved sizable increments as we observed from the figures given at the beginning of this report.

In services to the population, the improvements have not yet been very noticeable. We might possibly mention the start of an improvement in the cleanliness of the city of Havana, with the inclusion of about 39 trucks and 30,000 tanks, using a new type of technology. It is an activity which is in the process of improvement, with still greater improvement in view; because we are awaiting the arrival of more trucks of this type and more tanks of this type, called for in this year's plan; and, in addition, the purchase of another 50 trucks is called for in next year's plan.

No real improvement has yet been noted in urban transportation in the city of Havana. Nevertheless, we think that the supply of new buses which began in the latter part of 1978, and especially the supply this year, will total approximately 480 new buses; and, according to the plan, about 400 or 500 more buses will be delivered next year. If we add to this the arrival of replacement parts, we can anticipate that, with other organizational measures that are being adopted in the wage and labor areas, as well as the administrative area, also backed by the work of the political and mass organizations, an improvement may occur starting next year. But this is really one of the most critical areas in our services to the population, wherein we accomplished the least during 1979.

This year, 1979, has, moreover, been a year of inefficient work for our economy, because it was forecast that work productivity would increase 4 percent, and it increased less than 1 percent: only 0.8 percent.

Hence it is a year for which, despite the increments which we mentioned at the beginning, we must feel dissatisfied with the way in which we have managed our economy.

In the production area, there have been improper outlays of funds. Lack of economic and financial discipline has occurred, and the failure to make use of the work day has persisted, especially in the agricultural-livestock sector.

In the case of transportation, there has been slight utilization of our transport system.

The use of tractors in our economy is still inadequate, and of the amount of time available, a very low percentage is still being used. Furthermore, a large number of the tractors are being used as means of transportation, not only in instances wherein their use as means of transportation is indicated (as in the case of sugar cane), but also in many other instances.

This is the result that we can offer in connection with 1979: a year of objective difficulties and of subjective shortcomings, but nevertheless a year of significant progress and sizable growth.

It seems to us that, in submitting the last draft plan for this 5-year period, we should also pause, even though briefly, to observe what we have achieved up until now, up until 1979, in a few fundamental areas and in certain fundamental types of production. Because, despite the objective negative factors, and despite the unfavorable economic situation that we have had throughout all of this 5-year interval, perhaps exacerbated a little more in 1979, despite our shortcomings and inadequacies, we have made notable gains which we should not overlook, because they demonstrate and attest to the advantages of our socialist regime, which is capable of surmounting these objective difficulties and our own subjective shortcomings, in essence.

Hence, if we compare the 4 years that have elapsed (without adding the figures from the plan for next year, 1980), but if we merely consider what we have achieved during these past 4 years in comparison with the accomplishments of the 5 years of the previous 5-year plan, in other words, what we have done in a cumulative fashion from 1976 to 1979, compared with what the country produced during the years from 1971 to 1975, we shall find the following fundamental results:

In the form of gross investment during the previous 5-year period, about 7.3 billion pesos were invested; and, at present, the investment for the 4 years is 10.2 billion pesos, nearly a 40 percent increase.

As part of this, during the previous 5-year period 5.3 billion pesos were invested in the productive area, whereas during the past 4 years we have invested 7.3 billion pesos, showing a 37 percent increase.

Within the productive area, about 1.4 billion pesos were invested in industry during the preceding 5-year period, and during the past 4 years we have invested over 3 billion pesos, more than doubling the investment in industry.

In sugar production, 27,742,000 tons of sugar (base 96) were produced during the five sugar harvests of the previous 5-year period; in the four sugar harvests of the current period, to date, we have produced 27,978,000 tons, with a nearly 1 percent increase, and we are still not counting the sugar harvest that has just begun.

In fertilizer production, during the preceding 5-year interval we produced 3,646,000 tons; during this 5-year period we have already produced 4,200,000 tons during the 4 years, with particular emphasis on the production of nitrogenous fertilizers.

In the area of steel, 1,066,000 tons were produced during the previous 5-year period, and during the past 4 years we have already produced virtually 1,300,000 tons.

In the generation of electricity, 28.5 billion kilowatts were produced in the preceding 5 years, while in the 4 years of the present 5-year period 32.8 billion kilowatts have already been produced.

The generating power installed during the preceding 5-year period totaled 345 megawatts, and the additional power installed during the past 4 years totaled 778 megawatts.

In cement production, 8.2 million tons were produced during the 5 years of the previous period, and during the 4 years of this 5-year period 10.5 million tons have been produced.

In the production of plumbing fixtures, 685,000 units were produced during the 5 years of the preceding period, and in the 4 years of this period which have elapsed, 865,000 units have been produced.

In the production of the various types of buses, 5,485 units were produced in the 5 years of the previous period, and 7,340 were produced during the 4 years of the present period that have elapsed.

Refrigerator production totaled about 182,000 units during the 5 years from 1971 to 1975, and nearly 190,000 units were produced during the past 4 years.

The production of radio receiver sets during the previous 5-year period was about 220,000 units; now, during the past 4 years, we have produced over 470,000 units, more than doubling that production.

Television set production totaled 27,000 in the previous 5-year period, and we have now produced about 162,000 in 4 years, nearly a sixfold increase.

The production of fabrics during the past 4 years is already equivalent to that for the 5 years of the previous period: approximately 600 million square meters.

In outerwear production, during the past 4 years we have produced a volume already equal to that produced in the 5 years of the preceding interval: about 197 million units.

In fishing, despite the decline this year, the cumulative total for the past 4 years is 744,000 tons, as compared with 725,000 in the 5 years of the preceding period.

Citrus fruit collection for the previous 5-year period was about 800,000 tons, and in the 4 years that have elapsed we have already produced about 1.1 million tons.

In fresh milk production, during the 5 years of the previous period some 2.44 billion liters were produced, and in the past 4 years 2.9 billion liters have been produced, an 18 percent increment.

In the areas of beef, poultry and pork production, during the previous 5-year period, 144,000 tons of poultry were produced, and during the 4 years of the present period 220,000 tons have already been produced, showing more than a 50 percent increase. In the production of on the hoof pork, 137,000 tons were produced during the preceding 5 years, and during the 4 years of the present period about 230,000 tons have already been produced, nearly a 70 percent increase.

In root vegetable production, including bananas, approximately 45 million quintales were produced during the previous 5-year period, and in the past 4 years over 56 million quintales have been produced.

In the area of industrial construction, about 420 million pesos worth was produced during the preceding 5-year period, and in the 4 years of this period which have elapsed, about 870 million worth has been produced, more than doubling the amount for the previous 5 years.

In school construction, on the elementary level, the capacity created in the previous 5-year period accommodated 53,000 pupils, and during the 4 years of the current period we have created a capacity for over 67,000 pupils, with a 27 percent increase. In intermediate schools, the capacity created in different types of schools during the preceding 5-year period was for about 180,000 pupils, and in the present 5-year period we have created a capacity for over 300,000 pupils already, an increase of more than 70 percent.

In child day care centers, 24 were completed during the previous 5-year period, and during the 4 years of the present period 193 have already been finished, virtually an eightfold increase; their capacities have also increased about eight times.

The enrollment in institutions of higher learning which, during 1975-76, was 84,000 students, is 159,000 this year, and we plan for 179,000 next year. And the graduates on the university level during the past 4 years represent approximately 75 percent more than the entire number who graduated during the 5 years of the previous period.

In health facilities, the number of hospital beds added during the previous 5-year period was 156, and in the current 5-year period, about 2,350 beds have been added, increasing about 15 times.

In the number of caballerias under irrigation, for example, some 10,800 caballerias were added during the preceding 5-year period, and in the current period, despite the nonfulfillment of plans, about 18,000 caballerias have been added.

During the preceding 5-year period, seven poultry raising facilities were completed, and in the present period, 55 have been finished in 4 years.

During the previous 5-year period, 20 hog-raising facilities were completed, and during the past 4 years 30 have been finished.

In the area of distribution to the population, 462,000 television sets were distributed during the previous 5-year interval, and, in the past 4 years, 680,000 television sets have already been distributed to the population.

During the previous 5-year period, 160,000 refrigerators were distributed to the population, and in the 4 years of the present period that have elapsed, 350,000 refrigerators have already been distributed.

In the previous 5-year period, 890,000 radio receiver sets were distributed, while during the 4 years of the current period we have distributed 1.34 million units.

During the preceding 5-year period, 82,000 washstands were distributed, and during the present period 342,000 have been distributed.

During 1971-75, 28,000 fans were distributed, and in the present period 338,000 units have already been distributed.

In the distribution of plain fabrics to the population, 156 million square meters were distributed in the previous 5-year period, while in the 4 years of the current period we have already distributed 177 million square meters.

These are figures which should not satisfy us from the standpoint of the non-fulfillment of plans and the shortcomings that we have had, but, at the same time, as I said at the beginning of the enumeration, I think that they serve to demonstrate the significance of a country which, although underdeveloped, is in the process of constructing socialism and developing its relations, chiefly in cooperation with the socialist camp, unlike the situation in other countries whose relations and systems are linked with the capitalist camp.

Based upon the situation that has been expressed numerically and explained, we submit to you the figures for next year's plan. It is a plan which has been devised in consideration of the aforementioned accumulated difficulties, retaining limits on our purchases in convertible currency; because, even though sugar prices have increased during recent weeks, they are not capable of offsetting sufficiently the increases that have been occurring, year after year, in the prices of the products and items that we purchase on the capitalist market.

Bearing this in mind, as well as the repeated determination of our supreme leadership to keep our international financial commitments first and foremost, the result is that our purchasing capacity for what is known as each year's standard trade has been viewed with certain limitations.

For the reasons given, we have prepared a draft plan for next year which attempts to consider the directives issued by our country's supreme leadership, and examined and approved by the last plenum of our Central Committee. We propose realistic, moderate growth, properly geared toward the essential priorities of our economy, attempting to obtain maximum efficiency in the management of our economic resources, both material and human. For this reason, goals for growth which we had previously proposed have been reduced on the basis of the real possibilities that exist, and in fulfillment of this policy which we have set for ourselves.

The Overall Social Product for next year is proposed to show a growth of 3 percent. What are the fundamental priorities that have been established as part of this growth and as part of this plan?

In the first place, the feeding of the population. The levels with respect to consumption of meat, grains, milk, beans, rice, etc., have been maintained; although next year we shall attempt to make an improvement concerning the distribution problems which occurred this year.

Coffee production, which is in the process of recovery, will maintain the supply to the population as planned.

But the plan calls for substantial increments with regard to root and other vegetables (and for this purpose, there must be a special effort on the part of the Ministry of Agriculture, the People's Governments and all the other

agencies which are related in one way or another to agricultural production). The plan calls for a sizable increase in the stocking of these products. We must say that, in previous years, sizable increases were called for in the plan, but were not actually achieved later.

Therefore, for the purpose of backing this goal for increases in root and other vegetable production, an entire series of measures has been adopted to insure (insofar as the country is able) supplies of fertilizer and pesticides for use in that industry, as well as transportation facilities for this kind of use, and irrigation systems for the same purpose. The factories producing wooden and other types of containers have been put in operation to provide for these stocks.

In order to guarantee this stocking plan, measures were adopted at the end of this year to assign a large part of the limited wood supplies that the country has for the production of wooden boxes.

Similarly, measures have been taken in the plan to serve these purposes in another entire series of aspects, for example, to complete as quickly as possible a whole line of cold storage facilities under construction, so as to allow for the preservation of these products when they are harvested during the first part of the year, and to facilitate their subsequent distribution.

The policy in this matter of root vegetables (as Comrade Milian has noted on several occasions) is not one of eliminating the peaks, because they are inevitable, but rather of eliminating the stoppages in the distribution of root vegetables, so that there will always be a sufficient quantity of some types of root and other vegetables on the market for the population's consumption. As part of these goals, in the plan priority is given to the treatment accorded the city of Havana; on the one hand, because it contains 2 million inhabitants, and, on the other, because it has more problems in supplying fresh root vegetables, since it does not have an agricultural zone such as the other provinces have.

Furthermore, the plan calls for a sizable increase in what we call discontinued agricultural-livestock products, which are about 15 or 20 items that have not been produced, or have been produced in very small quantities, for several years. They are not included in the Ministry of Agriculture's Plan but they are covered in the directives for the Local People's Governments which must store them in their dealings with the local peasants and the local agricultural-livestock enterprises. An attempt is being made to have the production of these items double in comparison with this year, and also serve as a contribution to the population's supplies.

In industrial goods, the plan attempts to provide for the consumption of soap, both laundry and toilet soap, as well as for the supply of detergents, toothpaste, deodorants, etc.

Next year, there will also be an increase in the distribution of durable goods to the population over this year. There will be a 10 percent larger distribution of television sets than this year's, the distribution of radios will be similar to that in the present year, that of washstands will increase about 15 percent, and that of stoves will increase 20 percent.

In footwear, this year's production level will be retained, but an effort will be made to eliminate the problems of quality in footwear. In this connection, priority will be given to the production of orthopedic shoes, work shoes and children's shoes.

As stipulated in the plan, the production and supply of fabrics will be kept at about the present levels, and supplies of underwear and outerwear will also remain at approximately this year's levels.

Priority has been attached to the supply of pharmaceuticals to the population. For example, in terms of price in the retail system, this year's supply will represent about 31.13 pesos, and for next year it is planned to have a supply of pharmaceuticals worth 33.15 pesos per capita; in other words, the pharmaceutical supply to the population will be worth two more pesos.

In services, an attempt will be made to continue the process of improvement, with respect to the cleanliness of the cities and streets, dealing mainly with the problem in the city of Havana, and improving urban transportation.

Backing is given in the plan for the repair of household electrical appliances and, included in the latter, television sets.

But in this area of services to the population, special emphasis will be placed on construction repairs and maintenance.

In the area of roads, the funds appropriated for the maintenance of streets, highways and other types of roadways will increase 20 percent.

Construction maintenance as a whole will have a total increment of 74 percent, which is rather sizable. Whereas, this year, the total amount for construction maintenance was approximately 167 million pesos, it is planned to raise that figure to about 290 million pesos next year.

In this connection, a major part will be played by the increase in construction materials to be sold to the population. It will increase more than three times.

In cement, for example, whereas this year's plan called for the sale of 40,000 tons of cement to the population, next year it is planned to sell 150,000 tons of cement. The amount of paint and plumbing fixtures to be sold will be 80 percent more than the volumes sold this year. Plans call for an increase in the sales of corrugated steel bars of more than four times the previous volume; an increase in the sales of galvanized steel wire of more than

four times; an increase in steel pipe sales of over three times, and an increase in sand sales of over four times. There will be increments in the sales of crushed stone, wall tile, hydraulic floor tile, concrete blocks, clay brick, clay pipe, cement tanks and an entire series of additional types of construction materials.

To be sure, we are taking into account the fact that what is sold to the population will be primarily related to housing. What is allocated to the People's Investments and some of what is earmarked for and supplied to the Ministry of Construction will be for the maintenance and repair of the roadways that we mentioned previously, as well as for schools, hospitals and other buildings which are so badly needed, and which have been a topic of discussion in this National Assembly on other occasions.

The policy associated with construction is to concentrate on the completion of the projects already begun, and not to start new projects except in special cases and when they are fully warranted; concentrating the resources that we have on completing what has been started. In addition, as we have said, it is planned to concentrate a large volume of construction resources which, up until now, have been assigned for new objectives, on repair and maintenance to prevent the deterioration of the structures already in existence.

Despite this policy, there will be a 4 percent increment in industrial projects, and the plan calls for the completion of about 90 target projects next year, including such major targets as: the cement factory in Cienfuegos, the Nickel Unit in Nente, the expansion of Antillana, the farm tool factory in Holguin, the bottle plant in Tunas, the sodium chloride plant in Santa Clara and another whole group of major projects.

In the agricultural-livestock projects, emphasis will also be placed on those which are ostensibly completed and, in many instances, considered to be finished, whereas they really are not. This is the status of about 195 dairies in the country which, because of lack of access routes, electricity, water or buildings, or for other reasons, are not in operation or are operating on a partial basis.

The resources will be concentrated mainly on this, and the newly started projects will be carried out primarily in the Havana Province livestock development program, with about 20 additional projects elsewhere in the country.

Among the agricultural-livestock projects, priority will continue to be given to the hog raising facilities, for which 10 target projects will be completed, and to the poultry program, wherein work will continue, including additional construction decided upon last year, so as to increase poultry production as rapidly as possible.

In the area of educational and health projects, a level has been reached which meets our basic needs. Nevertheless, work will continue on the

completion of those already started, and on the progress of those which, although they will not be finished next year, should be completed during subsequent years.

In this connection, the capacities of child day care centers will be increased by 10 percent next year, and it is planned to complete 30 such centers.

The pupil capacity for semiboarding elementary schools will be increased 5 percent, while the student capacity for intermediate-level boarding schools will be raised 6 percent, opening slots for 47,000 additional students.

In the health area, four hospitals, 15 polyclinics, five dental clinics, five homes for the aged and five homes for the disabled will be completed, and there will be a 3 percent increase in the number of beds available for medical treatment.

Insofar as hotel construction is concerned, the efforts will also be concentrated on finishing those already started, and on the restoration of others, concentrating efforts on the city of Havana and Varadero in particular.

A policy attaching priority to the construction of storage facilities of various types all over the country will be developed, including those for consumer goods, production goods and fertilizer, considering the fact that many of our products are deteriorating at present and being wasted because they are not properly stored and are exposed to the elements.

Priority will also be given to the establishment of a program for loading and unloading centers associated with rail transportation, which will make it possible to eliminate tieups or "bottlenecks" which exist at present in transportation.

Priority will be attached to the cold storage program in general as well, completing three of the facilities and providing capacity in two others that are currently under construction.

The housing program is concentrated, on the one hand, on making a number of dwellings currently considered to be finished, but not yet completely equipped for living, habitable; and also on finishing a number which we know is actually slight and small in comparison with our needs, namely, about 15,000 dwellings. But the available construction resources, including lumber, make it impossible to aspire simultaneously to provide for the other priority targets: the containers for agriculture to insure the storage of root and other vegetables, the maintenance and repairs demanded so much by the population, and other essential targets, while at the same time insuring a substantial increase in the completion of new housing. Work will continue in this area both next year and in the first years of the next 5-year plan to develop the infrastructural conditions and those for industrial production which will insure the housing construction goals during the next 5-year-plan until we achieve a stabilized construction or completion of approximately 100,000 dwellings per year, as we have proposed to do by the end of the next 5-year period.

As for waterworks and sewerage systems, priority treatment will be given, within the limits of the available resources, to the situation in the cities of Havana and Santiago de Cuba. Some resources will be allocated for other waterworks and sewerage systems, but we realize that they do not measure up to what has been proposed and demanded.

In the construction area, priority will also be given to the completion of access routes to various industries and sites, which often cannot develop their production or service capacities as a result of the lack of such access routes.

In the policy that has been directed toward next year's plan, particular emphasis has been placed on economic efficiency, to prevent the occurrence next year of a situation whereby productivity does not increase sufficiently and yet the average number of workers and the basic wage increase, and the ratio between average wage and work productivity declines to the detriment of the economy.

An increase of 3 percent in total productivity is called for, and, as part of this, a 3 percent rise in industry, a 3 percent rise in construction, a 4 percent rise in the agricultural-livestock sector, a 2 percent rise in transportation and a 2 percent rise in the wage fund.

If next year's production plan undergoes a 3 percent increment, and we propose increased economic efficiency from work productivity, and also consider the fact that many young people will be reaching working age, it is only logical, owing to the economic situation next year, that there will be a temporary supply of workers in certain locations and in certain production centers.

This means that, when the figures in the plan go down through the agencies to their enterprises and are broken down, the item or indicator of work and wage must consider the number of workers required by that specific production plan, and not necessarily the number of workers that may currently be employed on the payroll. And the wage fund will be based on the number of workers required by the production or service plan that has been approved, not on the existing payroll.

Therefore (as we have said), there will inevitably be a number of workers in various locations who will be temporarily available as such.

Naturally, in such cases the first thing that must be done is to analyze the possible replacement of those workers in related activities within the enterprise itself, or in other enterprises of the same agency, or else in the local area, in other locations or in other activities, possibly to aid in the agricultural activities which have their peak demand for a work force at certain times of the year.

when this occurs among the construction forces, it is planned, using the same organization with which they are building at present, that they be transferred to some other production assignment. It could be to aid in the maintenance and repair activities of the People's Government, on a subcontract basis; or it could be to do work which is not actually in construction, but which might even be agricultural work. But they would go in an organized way, so that there would be no upsetting of what has been accomplished in this regard, on the basis of the construction plans that the country has for subsequent years.

On other occasions, the solution might be to send these available workers to schools for retraining, or to replace other workers now engaged in production, so that the latter may be retrained.

There are various methods which could be examined in each concrete instance, and this must be noted in each enterprise and each locality; because these temporary surpluses occur in certain provinces or municipalities, whereas the demand, the need, may exist in others. And the temporary surplus could occur in a certain skilled trade, whereas the demand might be for another skilled trade.

At the present time, the pertinent regulation to resolve this situation is being devised through the State Labor Committee, so that there will be a solution for everyone, and even in instances wherein there is no slot for a worker, the latter may have the treatment accorded now for work stoppages resulting from causes not attributable to the worker, with which nearly all of you are familiar. Thus, they would receive about 70 percent of their wage, when one of these work stoppages occurs. Only, in such instances, that wage would not be computed against the enterprise's wage fund, but would rather be supplied by the budget, so that the enterprise's production plan and cost plan would not be affected, and it would be possible to find out exactly where the production reserves are located.

But no worker will be unprotected. He will continue to be associated with his enterprise, he will receive this 70 percent of his wage through his enterprise, although it will be supplied by the budget, and he may engage in other jobs in other locations, earning in addition the wage paid for this other work that he does.

It is our intention that there not be in any location one person more than the necessary number required to fulfill the production plan that has been approved.

In this connection, the planned production cost per peso of commercial production must be reduced approximately 2.5 percent, and the earnings must increase 20 percent.

It is planned to save resources in various ways, and one of the measures adopted is that of cutting the supply of gasoline to the agencies by 9

percent. Therefore, all the agencies in the country, and all the enterprises on all levels must prepare to solve their transportation problems with 9 percent less gasoline than they had during 1979. On the average, the supply will be cut by over 9 percent in some instances, and by less than 9 percent in others, depending on the activity that is involved.

Industry's share in the growth of the Overall Social Product is 80 percent. And in that total growth, it should be noted that the Ministry of Agriculture and the Ministry of the Food Industry have a 65 percent share; in other words, whether or not the 3 percent growth that we are proposing for next year becomes a reality depends 65 percent on these two ministries.

Next year, certain products known as better quality items are again called for and included in the plan. We must strive to make these products, and to have control by all those responsible for carrying out this control, so as to attain these goals, from the higher-level agencies to the People's Government organs in the concrete locations, and the other organizations associated with this.

We shall also continue the policy of increasing and diversifying our exports. Of the products included last year as new products, 64 are included again in this year's plan, as well as 46 more products which were not in the plan for the current year.

These export products are itemized in each enterprise. Every enterprise in the country knows the portion of its production which is to be exported. There must be stringent control on the part of all concerned to attain these goals.

And, to back these objectives from an economic standpoint, it is planned to give economic incentives to both the national agencies which direct the enterprises producing exportable items and the enterprises themselves which produce exportable items, paying them preferential prices for these products to be exported. This will, understandably, improve their earnings and their income, and in time will improve their potential for forming funds for economic incentives.

The plan calls for an increase of over 8 percent in the generation of electricity. As we remarked previously, when the No 4 Unit at Rente, with 100 mW, goes into operation, the nation's installed capacity will total about 1,200 mW.

The interconnection of the national electrical system, with the 220 kW lines, will be completed.

In the machine industry, increases are called for in steel production, and in the production of freight transport equipment, cane harvesting machines, batteries, machines for agriculture and for the sugar industry, citrus fruit containers and replacement parts, wherein an increase of 30 percent over this year's production is planned.

Among the products of the Ministry of the Chemical Industry, sizable increases are called for in complete fertilizers, new and retread tires, inner tubes for tires, chlorine and sulfuric acid, and the production of bottles, incandescent light bulbs and fluorescent bulbs.

In the area of light industry products, increments are planned in yarns and fabrics; in the ready-made garment industry, it is planned to give priority to the manufacture of work clothes. Increases in the production of various types of containers are also planned.

Increases in fishing production have been planned, to exceed this year's output.

With regard to the production in the food industry, with the new capacities for processing wheat flour, increases are planned for this product, as well as for canned products, and for beverages and soft drinks.

In agriculture, considerable increases are called for in the areas of coffee, citrus fruit, other fruit, root and other vegetables, and eggs as well.

In the construction materials industry, sizable increases are planned in cement, wherein we hope to exceed 3 million tons next year, as well as in plumbing fixtures, asbestos cement production, concrete and other products.

Increments are also called for in the production of radios, television sets and antennas for television sets.

A serious effort must be made to attain all these goals, taking into account the economic circumstances under which we shall have to carry out next year's plan.

I think that, in addition to all the motivation that we should always have, there will be an additional motivation next year, namely, the fact that it is the year in which we shall be holding our party's Second Congress. Therefore, it seems to us that this additional motivation, plus all the others which we have constantly as revolutionaries and revolutionary workers, will comprise sufficient elements to fulfill this restricted plan, which is intended to be as realistic as possible, while still retaining intensive elements.

For this purpose, in addition to the physical effort in work, and compliance with the work standards and schedules, there must be the strictest economic, financial and administrative discipline on the part of all the echelons of management, and the mechanisms established in the Economic Management System must be implemented.

Next year, virtually all the nation's enterprises will be embarking on economic accountability. Only about 197 enterprises will not be starting economic accountability next year. There will be some 1,800 enterprises, which

comprise virtually all of these enterprises, starting economic accountability next year.

This means that now, when the statistics are broken down, this must be done in accordance with the levels that have been stipulated, and also that the economic contracts between the various enterprises must be signed, as a fundamental means for backing and aiding in the fulfillment of our plans.

This is one of the measures wherein we find the greatest lack of discipline and, as a rule, the various enterprises, considering the many imponderable factors on which the fulfillment of their production plan depends, do not want to make commitments to their customers for supplies, so long as they in turn are not assured their own supplies from their suppliers. But, if everyone acted in this way, we would reach the end of the year without any contracts signed. The contracts must be signed on the basis of the figures in the plan, and that itself will subsequently create (in addition to properly detailed and specific commitments on an entire group of areas which oblige the various enterprises to do their share) healthy motivation for differences with respect to attaining economic efficiency; because each enterprise will have another reason for concern over having its supplier provide it on time, since its ability to provide for the next one will in turn depend upon this.

There must also be discipline which is not noted sufficiently at present, with regard to collections and payments; something that creates difficult situations which are later reflected in a lack of money for paying the workers at times. It has been claimed, on many occasions, that the bank has not appropriated the money, or the bank lacks the money. The bank always has money for paying the workers. The one which may not have money is the enterprise, because it has not collected what it should have collected; though we realize that, on other occasions, the central agencies have been to blame, especially with respect to investments or other budgeted activities, because they failed to fund the pertinent budget on time.

We are adopting measures in this regard, but we issue an appeal for attention to the liability borne by the enterprises. On other occasions, the enterprise lacks money because it has stocks in excess of the standards for idle capacity, and has to seek loans for these stocks, to pay interest on these stocks and to embark on a special system with the bank; and then it does not have enough money to pay its workers. And it may appear to the workers that the higher echelons or bureaucratic mechanisms are to blame for the problems that arise in paying their wages, whereas this is due to problems involving a lack of efficiency in the management of the enterprise itself, or perhaps in the provincial management, if it exists, or else in the ministry, or possibly a combination of all the e factors.

But it will be necessary for each one of us to exercise strict discipline.

Consideration must also be given to making contributions to the budget, which are frequently not made, and whether or not the budget can, in turn, provide the funds for investments and other expenses that are required depends on this as well. It is also a fact that, when an enterprise fails to contribute to the budget, it is receiving a loan without interest from the budget, because it has money at its disposal which does not belong to it.

We must also insure compliance with the discipline governing statistics and accounting, wherein there must be accuracy as well. If the figures are not real, the decisions that are made and the control that is exercised must necessarily be poor; because the decisions and control are exercised on a certain level, and on the basis of the information provided in the figures. When the figures are not accurate, the decisions and control cannot be good or, if they are, it would be a coincidence. Whether or not we have the economic information available which will enable us to direct our economic activity properly depends largely on the basic information provided by the enterprise and on the processing done subsequently on the statistical level. In addition to being of good quality, which is most important, all this information must be timely.

Control must be maintained (and there are already some mechanisms for this) over investments, adhering to the timetables. There is a mechanism for certain investments, the so-called priority or itemized ones stipulated by the Council of Ministers' Executive Committee, proceeding from top to bottom, relying basically on the Peoples Governments and, in each location, on the direct investor and the builder. The suppliers of the main investor on the provincial level participate therein, even submitting quarterly reports to the Executive Committee. The party is adopting measures for party control of the investment process.

I believe that this control of the investment process must be reinforced. And I would propose (although this pertains primarily to one province, yet all the other provinces sending human or material resources are associated with it in one way or another) that special heed must be given, next year, among all the investments as a whole and without neglecting any of them, to the investment involved at Punta Gorda, the investment for nickel, a project which has very stringent goals for its construction and assembly next year, when what was accomplished this year must be doubled.

An effort must be made to eliminate the idle stocks, because the resources which are surplus in one location and which are needed in another can help us to fulfill the plans. We must emphasize and strive for the standardization of work, something which was recently examined at a national plenary session held on this subject.

And we must bear in mind that, for the checkup that we shall be making in the middle of next year on the implementation of the Economic Management System, with a view toward rendering an account at the party's Second Congress, these mechanisms which we are discussing now must be operating in the best possible manner.

And we issue an appeal for the implementation of these mechanisms, because they are fundamental mechanisms in helping to achieve this efficiency which is needed in the management of our economy and in the fulfillment of the National Economic Plan.

We feel that, in ending this report, we should do so by recalling the remarks that were published in the newspaper GRANMA as a conclusion from the last Central Committee Plenum. It made this statement: "The preeminent objectives are that there not be a surplus or idle resource in one location, when it is needed elsewhere; that there be no more w rkers at a work center than are required for the production plan, in accordance with standards which will result in increased work productivity; that the workers who are available temporarily (at a center) be transferred to sites where their presence is required, to insure that the proposed goals are met; that the transportation of products be speeded up and losses reduced; that the quality of production and services be improved; and that directors and administrative officials assume their tasks with complete responsibility, and be active and demanding in performing them, with regard to themselves in particular, confronting any problems that may arise in the execution of the plan with resolve and initiative, and taking the most severe action in cases of negligence, apathy, laziness and lack of responsibility."

Thank you very much.

2909
CSO: 3010

BRIEFS

STUDENTS VOICE SOLIDARITY--Oscar Bonilla, president of the General Association of Salvadoran University students, has charged in Havana that the reform undertaken by U.S. imperialism in his country is a total failure. He added that the Military-Christian Democratic Junta simply has to resort to the most brutal repression to try to curb the peoples movement. He said that despite its violence the junta bec[illegible]s weaker every day, and he stressed the struggle of the Salvadoran people led by their organized vanguard, the Revolutionary Democratic Front. He added that the recent occupation of the University of San Salvador by military forces is a blow to all hemispheric students and he asked the progressive forces of the world for support so the university will be returned to the people. Bonilla noted that direct U.S. intervention in El Salvador will trigger the strongest reaction from the people, who will not let anything or anyone take away the victory that has cost them so much blood. Reinaldo Payan, the Nicaraguan students' representative on the permanent secretariat of the Continental Organization of Latin American Students, voiced his group's solidarity with the Salvadoran people's struggle for liberation. [Text] [PA030243 Havana International Service in Spanish 1600 GMT 2 Aug 80]

MEXICAN UNION LEADERS' VISIT--A delegation of more than 200 Mexican union leaders has visited the headquarters of the Central Organization of Cuban Trade Unions [CTC] in Havana. They were received by Jesus Escandel, member of the CTC executive council, and other officials. The group is made up of representatives of the Mexican Revolutionary Labor Confederation, the Worker-Peasant Revolutionary Confederation and other labor unions of that country. During the meeting, Jesus Escandel briefed the visitors on the Cuban union movement, before and after the revolutionary triumph, health and education tasks, women's work and other matters of interest. [Text] [FL021207 Havana Domestic Service in Spanish 1100 GMT 2 Aug 80]

LOPEZ PORTILLO'S CUBAN VISIT--The Latin American Journalists Federation [FELAP] has sent a message to Mexican President Jose Lopez Portillo, who is visiting Cuba, thanking him for his solidarity with that Caribbean island and for his denunciation of dictators Pinochet and Somoza--the latter has already been defeated by the Sandinist revolution. The message,

Signed by FELAP secretary general Genaro Carnero Checa, terms Lopez Portillo's hemispheric tour "historic" and plays up his fraternal support for the heroic Cuban revolution, the Cuban people and their supreme leader, Fidel Castro. In turn several Mexican leftist parties have voiced satisfaction over their country's solidarity with Cuba as confirmed in Havana by President Lopez Portillo. The Mexican Communist Party highlighted the Mexican president's statement that any act of aggression against Cuba will be felt in Mexico as an attack on itself. He added that this is a warning to the United States and to the Republican presidential candidate, Ronald Reagan. The Leftist Communist Unity and the Socialist Workers Party termed Lopez Portillo's visit to Cuba a major act of solidarity. [Excerpt] [PA030058 Havana International Service in Spanish 1600 GMT 2 Aug 80]

FRIAS MEETS MEXICAN COUNTERPART--Guillermo Garcia Frias, vice president of the council of ministers and minister of transportation, has received Mr Emilio Mujica, secretary of communications and transport of the United Mexican states. The Cuban minister and the Mexican official discussed topics of mutual interest in the fields of transportation and communications. They stressed the great significance of the Mexican president's visit to Cuba and the mutually beneficial results for the fatherlands of Marti and Juarez arising from the historic meeting between Fidel and Lopez Portillo. [Text] [051435 Havana Domestic Service in Spanish 1400 GMT 5 Aug 80]

MINISTRY PRAISES CONSTRUCTION EFFORTS--Pinar Del Rio's builders aim to produce more than 27 million pesos in construction work during the July-September period, according to an announcement made during the sector's evaluating plenum held under the chairmanship of Jaime Crombet, member of the PCC central committee and first party secretary in Pinar Del Rio province. In his closing remarks Jose Lopez Moreno, vice president of the council of ministers and minister of construction, referred to the marked improvement reported by Pinar Del Rio's construction sector, which was one of the most deficient in the country during the year's first 3 months. Lopez Moreno stressed that the completion of projects and delivery of projects with the required quality were essential objectives for this year. [Text] [FL052356 Havana Domestic Service in Spanish 2300 GMT 5 Aug 80]

ECONOMISTS SCORE ARMS RACE--Cuba's economists association president Lourenzo Leon said today in Mexico City that the industrialized capitalist nations are struggling to maintain their hegemony on an international level. For his part, the president of the Association of Third World Economists, Oscar Pino Santos, a Cuban, stated that the cold war is affecting the economy of the world and has resulted in an escalation of the arms race and an incredible waste of resources. The two specialists were interviewed by Mexican journalists prior to the opening of the sixth World Congress of Economists in Mexico City, in which more than 2,700 delegates from 62 countries will participate. [Text] [FL060115 Havana Domestic Service Television Service in Spanish 0000 GMT 6 Aug 80]

CSO: 3010

SUPREME COURT UPHOLDS ARREST OF MORALES CARBONELL

PA302130 San Salvador EL DIARIO DE HOY in Spanish 30 Jul 80 pp 2, 19

[Text] The supreme court yesterday upheld the provisional arrest of Jose Antonio Morales Carbonell, son of junta member Jose Antonio Morales Ehrlich.

Morales Carbonell, as his name appears in the court records, was captured on 13 June when the police discovered a terrorist cell in the multifamily building number 19 in Zacamil. On that occasion, Angel Godofredo Carranza, Freddy Hernandez Bardales, Rosaline Lasso Gomez, Hugo Cruz Quezada, Marco Tulio Solorzano Arteaga and Luis Rodolfo Ponce were captured in addition to Morales Carbonell, who was passing himself off as Jose Ricardo Junes Cepeda.

Quezada Solorzano and Ponce were released during the preliminary investigations. The others were sent to the military judge.

Morales Carbonell was the only prisoner who confessed on and off the records that he was a member of the Peoples Liberation Forces [FPL] and that he had participated in the occupation of the French Embassy in May 1979 to demand the release of certain leaders of the peoples revolutionary bloc.

The other prisoners denied at the criminal investigations section that they were FPL members and maintained this at the court thus preventing the discovery of legal evidence against them.

However, in the Morales Carbonell case, the evidence was completed with his official and unofficial testimony.

It was learned that two court officers participated in the preliminary hearings for the cases of Carranza, Hernandez Bardales, Lasso Gomez and Morales Carbonell.

The court officers suggested that the prisoners be released. The court agreed to the release of Carranza, Hernandez Bardales and Lasso Gomez but rejected Morales Carbonell's release.

Moreover, it was reported yesterday that Supreme Court President Miguel Antonio Granillo left the country on Sunday. It was learned that a terrorist bomb destroyed part of his home in the Escalon suburb on Saturday night. Granillo is being temporarily replaced by Manuel Rafael Reyes.

CSO: 3010

JUAN CHACON ANNOUNCES PREPARATIONS FOR OFFENSIVE

PA261303 San Jose Radio Noticias del Continente in Spanish 0100 GMT 26 Jul 80

[Text] The Salvadoran people will soon be free. This statement was made by Juan Chacon, leader of the Revolutionary Front [FDR]. He said that the Salvadoran people's opportunity for seizing power is certain and near.

Chacon told PRENSA LATINA that the final preparations are being made for the offensive that will lead the Salvadoran people to victory. In this regard, he said that the Salvadoran people do not want to rush into an insurrection because they want to reduce the social costs of an insurrection, especially bloodshed. He said that an intervention by the United States would prolong the struggle. He added that it is necessary to continue working and organizing as the correlation of forces continues to improve.

The Salvadoran leader noted the quality improvement that has taken place in the various political and military organizations in terms of unity. He also noted the consolidation of the FDR, which comprises broad opposition sectors of El Salvador--consolidation which is a prerequisite for future popular power.

Meanwhile, an Associated Press report notes that for the past 5 days a great deal of heavy fighting has been going on between revolutionary groups and army troops in the town of Torola, near the border with Honduras.

The Associated Press report notes that Defense Minister Col Jesus [as heard] Guillermo Garcia has admitted that the town was in the hands of the guerrillas for some time. The minister told the news agency that the two forces have been pounding each other hard but he did not report on casualties resulting from the clashes.

CSO: 3010

JAMAICA ANNOUNCES RISE IN ALUMINA PRODUCTION

FL241605 Kingston SUNDAY GLEANER in English 20 Jul 80 p 1

[Text] Alumina production rose by 15.7 percent in the first half of this year and bauxite production fell by 11.5 percent in the same period, the Jamaica Bauxite Institute reported in a release yesterday.

The institute said it expected a total bauxite production of 5 percent over 1979 as production of alumina and bauxite was going according to their projections for an 18 percent increase in alumina exports and a 6 percent decrease in bauxite exports.

In the first half of this year alumina production amounted to 1,208,202 metric tonnes, a 15 percent increase over the same period last year. Exports accounted for 1,135,551 tonnes and 13.1 percent increase over last year. The institute said that inventories now stand at 103,493 tonnes.

Major contributors to the rise in production were the Alpart and Alcan plants, the JTB [as published] reported.

Encouraging

In the first half of this year bauxite production went down by 11.5 percent in comparison to the same period last year when production levels stood at 3,310,803 metric tonnes. Exports accounted for 2,946,073 and inventories stand at 210,041 tonnes.

The JBI described the production figures as encouaging but expressed concern about the "possible extent of the economic recession in the United States and the implications for the industry."

Taking note of the closure of the smelter potlines by Reynolds at Corpus Christi and by Alcoa at Point Comfort, both in Texas, and the severe downturn in automobile production and the construction industry, the institute said that it was within this context that the opening of new marketing opportunities by the Government of Jamaica, to the Union of Soviet Socialist Republics (USSR) and to Venezulea, must be viewed and understood.
CSO: 3020

BRIEFS

INDEPENDENCE WEEK CELEBRATIONS--Governor-General the Most Hon. Florizel Glasspole yesterday, called on Jamaicans to rededicate their lives to the cause of democracy and freedom, as he opened the independence week celebrations at the National Choral Festival at the Holy Trinity Cathedral, Kingston. Mr. Glasspole said: "We have come a long way with democratic principles as our guidelines whilst endeavouring to establish a society of social justice and economic independence. The goal we have set ourselves will not be easily attained. It will need hard work, sweat and toil. It will need an unflinching belief in freedom and democracy. It will need self-discipline of the highest order and a deep sense of national unity. "Our national heroes sacrificed their lives in the cause of freedom, justice and peace. For that cause we must be prepared to give our lives. Let us therefore, today, rededicate ourselves to the cause of democracy and freedom. That rededication is needed now." Independence week celebrations will continue through to Monday with the grand independence day finale. [Excerpt] [FL311815 Kingston DAILY GLEANER in English 28 Jul 80 p 1]

CSO: 3020

CHIN A SEN INTERVIEWED ON SURINAME'S POLITICAL, ECONOMIC POLICIES

Rotterdam NRC HANDELSBLAD in Dutch 25 Jun 80 p 5

[Interview with Suriname Prime Minister in Paramaribo, 27 June]

[Text] About 3 months ago when internist Henk Chin became prime minister of Suriname, he said in one of his earliest speeches that it was probably not such a bad idea to appoint a physician as head of the government. He stated: "Suriname is sick." Nobody could or can expect the patient to recover within 3 months. For that operation Chin a Sen has given himself 2-1/2 years. Suriname should then be ready for parliamentary democracy. In the meantime, agreement was reached on a very important issue: the deal between the government and the National Military Council (NMR) regarding division of power and competencies. After careful maneuvering and sometimes extremely difficult discussions the military, afraid of a relapse to the situation before 25 February, agreed to let the government have the power to rule, as it should. It gives Chin a Sen the possibilities to begin with Suriname's reconstruction according to his plans. The biggest obstacle is still the unwieldy and overstaffed civil service; many civil servants owe their jobs to the prior government and will not always loyally support Chin a Sen's measures, especially because they will often intend to diminish the number of government workers. Prime Minister Chin a Sen appears to be much more relaxed in his office on Graven St than on television. He wisecracks, laughs easily, but all of a sudden he can become very serious when he wants to stress an important point in his explanation. In answer to the question of what he can show Minister De Koning about the use of development funds, he laughs: "A railroad running from nothing to nowhere." Then, a fraction of a second later, he says very seriously: "We will show Minister De Koning a Suriname that is not corrupt."

Democratic forces in Suriname expect much of Minister De Koning's visit to Paramaribo on 28 June. Not just because a Dutch government leader will be presenting himself for the first time after the coup, which amounts to recognition of the new government, but even more so because *everybody* hopes that the The Netherlands will come with a generous gesture to strengthen the position of the man who wants to lead Suriname back to a parliamentary democracy with the military in the background.

On the eve of De Koning's visit our correspondent Frans van Klaveren interviewed Chin a Sen in Paramaribo.

[Question] What are Surinam's priorities and expectations for the coming discussions with Minister De Koning?

[Answer] We expect that The Netherlands, without wanting to patronize us, will assume a constructive and generous attitude and show that, like my government, it cares a lot about the poor in this country and, therefore, for a majority of the population. Whatever is left of development assistance will consistently be used to eradicate poverty and inequality in our community.

We also believe that the time has come to pay for our own economic development out of our own savings--by going on an even tighter budget--and to end dependence on Dutch development assistance. However, much money wound up in the wrong hands. The Netherlands is to some extent also responsible for this situation. Because of complicated procedures, it took much too long before projects could be started and when that finally happened the budget did not fit any more because inflation had played havoc with the estimates.

We will, therefore, talk with the Netherlands about simplification of procedures, extra help for the poor and the little fellow, assistance in setting up a simplified social security system to prevent people from leaving this country, and assistance in our endeavours to make this country fit to live in and to promote remigration of Surinamese from The Netherlands.

For all this, no extra money is really needed if The Netherlands would only be willing to protect the 2.7 billion guilders in assistance funds against inflation. I cannot understand that Surinam has ever gone along with funds not protected by inflation, and that, in these days of galloping inflation, The Netherlands dared to offer assistance unprotected against inflation. This upsets us terribly.

[Question] What is the Dutch influence on the way Suriname is run?

[Answer] We, of course, keep in regular contact via the embassies. We consider The Netherlands a country with which we must maintain a special relationship because of our historic and cultural ties, development assistance and the fact that one-third of our citizens are in The Netherlands. However, we want to become less dependent and definitely abolish the relationship of condescension.

Together we must defend a common legacy: maintaining fundamental human duties and freedoms and the idea of justice under one nation. We do not need interference in our internal affairs by The Netherlands or anybody else for that matter. We do not need concerned Dutch members of parliament who, in spite of good intentions, are apparently unable to resist the temptation to tell us how things should be done.

We are eager to learn from other nations but we prefer to do things ourselves.

[Question] The government declaration mentions solidarity with the poor. What concrete steps can be expected?

[Answer] Social policies will be based on the principles of social justice and solidarity with the poor and the weak. Old age benefits will at least be doubled, from about 20 Suriname guilders to about 50 Suriname guilders per month, and the eligible age will be lowered from 70 to 65 years. That may not appear to be much but one should not forget that The Netherlands also began with Drees's quarter.

Health insurance now in force for civil servants will be extended to all those groups not now covered by their companies and not able to pay for the expenses of sickness, accident or invalidity out of their own pockets.

Child support will also be raised and extended. As far as premiums are concerned, the principle will be that the strongest shoulders will carry the heaviest burden, the great differences in income of the present will be deminished. All education will be free.

[Question] How will Suriname be made more attractive for Surinamese in The Netherlands? Will there be sufficient employment and housing? Are foreign immigrants also welcome?

[Answer] We assign only limited priority to remigration, it will only pick up later when Suriname can offer adequate employment and social security for those who come back. Although we would like to welcome all our countrymen in The Netherlands back we realize full well that it will be impossible for many to give up the safety and social securities they are enjoying over there.

We regret, of course, that many skilled Surinamese who could be used are not yet ready to come back for the above-mentioned reason. However, it is impossible to guarantee returnees preferential treatment as compared to those who remained here. That would be like a premium on leaving. One ought to leave first to return and enjoy preferential treatment; that would not be right.

In this phase we appeal to the patriotism of those who are so badly needed for the development of our country because of their expertise. We are working on plans which will regulate in detail the remigration of other categories of countrymen, this includes housing, employment, etc.

We must make arrangements with The Netherlands regarding, for instance, social security, pension rights, etc., of returnees and the facilities we can present together. At our embassy in The Netherlands we will appoint a remigration attache who will begin with registration of the potential, and who will activate and motivate Suriname citizens to remigrate, etc.

In Suriname we will have a remigration institute independent of the government but operating with givernment support. Preparations for this institute are well under way.

Our country is thinly populated. All the world's races live here peacefully together. Foreign immigrants are, therefore, welcome. We already have about 25,000 from Guyana, several thousands of Haitians, Columbians, etc. This very year we will welcome the first Vietnamese boat people, about 100 families. We will give them a new fatherland. More are coming later.

We would of course prefer to see our own people who left, return. However, if they do not come back we will be genuinely pleased to see other people take their places. This country must be populated. Even if all Surinamese were to come back there would still be enough room for many foreigners who want to make this country their fatherland.

[Question] What will the government do about the brain drain?

[Answer] We are fighting it on three levels. People leave weak businesses for stronger ones, the government for private enterprise, and Suriname for The Netherlands. The roots of the brain drain are in all three instances considerable differences in salaries.

It is, therefore, only natural that we attack the evil at the root; we shall effectively combat these salary differences which are now very considerable on all three levels. Complete elimination will probably not be feasible, but that is really not the goal of my government. We believe that if we pay our experts better, skilled Suriname citizens will return from The Netherlands.

A side benefit will also be that government corruption, at least the temptation to it, will diminish and the work will be done better. A poor civil service leads to badly functioning government services which, in turn, frustrates the population and makes Suriname unfit to live in, which again causes Surinamese citizens to leave their country; we are dealing here with many vicious circles.

I have never been able to understand why prior governments consented to Dutch experts in Suriname earning 5,000 to 6,000 guilders while equally good Surinamese workers workers earned about 1,500 guilders, about the Dutch monthly minimum wage.

[Question] On which foreign areas will Suriname concentrate?

[Answer] We will concentrate on the Caribbean region, then on the Latin American continent, and only in the third place on other continents. For reasons already mentioned, we want to have special relations with The Netherlands. Of the other European nations, we would like to contact West Germany.

However, it will be true of all our foreign relationships that the expectation of economic advantage will be decisive. If a country has nothing to offer we are no longer interested.

We do not care about beautiful speeches and showing the flag. Nobody will have to invite us if it is not for business. We would rather stay home. That saves money and, after all, we live in a beautiful country and like to be here.

[Question] The government declared that equality of men and women should become reality. How do you expect to influence private enterprise?

[Answer] Our strongest weapon is a good example.

If the principle of equality is consistently applied in the givernment, its influence will radiate to the rest of the society. Another method is convincing people. If it all remains without effect, we will use the boycott. Businesses discriminating as to sex, race or religion will not be considered for government contracts.

[Question] What do you think of the position of your cabinet as regards the constitution?

[Answer] The difference between this government and all prior political governments is that it is not based on general elections, its mandate is not based on popular expression, and it is therefore, not controlled by the parliament as representative of the people.

Our continued existence is not dependent on the support of a majority in the parliament. On the contrary: we extended the session of the parliament by at least 1 year till October 1982. The cabinet emerged out of the military coup of 25 February. That is also a mandate. A unique situation without precedent in our history.

No example from the past can guide us. We must find solutions ourselves through mutual discussions and ingenuity.

[Question] How difficult were the discussions with the NMR, how is the relationship between the NMR and the government and what will the NMR's position ultimately be?

[Answer] The discussions which began on 15 March are developing in a positive sense, the exchange of ideas continues. Nobody should expect solutions for all problems after only 3 months. The situation is much too unique. The time has been much too short.

There is fortunately no difference of opinion on the main principles. Anyhow, the situation before 25 February, a parliamentary democracy in name only but not in essence, should never come back.

As much as possible we shall act within the limits of the constitution. We shall try to complete the reforms we have in mind within the pre-arranged time of 2-1/2 years, so that general elections can be held at the latest in October 1982.

Within 2-1/2 years Suriname must again be a parliamentary democratic constitutional state in every, I repeat, every respect. The present government under my guidance is now in charge. All other security organizations in the republic are under my orders. The NMR has, within the framework of the government policies, a supporting and controlling task, the latter will be carried out under my supervision.

The discussions between the NMR and the government are of course not yet finished. We have a continuous dialog. It is still not possible to say what the NMR's final status will be. The process is still going on and experience will here also be the best teacher. In the final analysis, the decision will not be with the government, with the NMR, even less with the Dutch press, the Dutch parliament, or a Dutch minister; it will be in the hands of the Surinamese people.

[Question] Your government declaration states that the constitution will be changes and that there will be legislation to regulate political parties. What exactly are your intentions? How will the district councils be put together and won't they slow down the decisionmaking process?

[Answer] There will be a new constitution, its draft will be made in consultation with all functional groups! in one way or another it will be presented to the people for ratification. As long as the people have

not yet spoken their minds about a new constitution, the government will retain the supreme power to govern. What the new constitution will look like is still under discussion. As regards the election system, we are thinking of general proportional representation. District councils will be elected.

The number of their members will depend on the relative population figures. There is indeed a chance that the district councils will cause delay, but that is inherent in democracy. Is that a reason to abolish them? On the contrary, the advantage of the district councils will be that they involve the local population in the decisionmaking process on subjects that really matter to them.

Political parties which propagate race conflicts and separation of the races or are of fascist origin will no longer be able to take part in elections, because for us in this country the time has come to think national instead of racial. Arrangements will have to be made to finance elections and rules to guarantee that democratic principles will also be adhered to within political parties, so-called internal party democracy. The era when people can be goaded and deceived should be over for good.

[Question] Have you ever thought of quitting?

[Answer] When I was asked to become prime minister, I kept refusing. I had not been involved in practical politics for quite some time and, moreover, I did not know what the powers of the new government were going to be and in what direction the situation--from a political aspect--was going to develop.

After I had been assured that the government would have full powers--be it in close consultation with the military--and that it would be my task to make Suriname a true parliamentary democratic constitutional state, I finally said yes.

On two occasions after my acceptance--now a long time ago--I have seriously thought of quitting, because things did not work out the way I wanted them. I realized however, that running away would solve nothing. That would have been the easy way out. Somebody else would have to be found to solve these problems.

These are problems not caused by bad intentions or impotence of the government or the NMR but inherent in the nature of things.

10319
CSO: 3105

MINISTER DE KONING HOPES FOR RESTORATION OF DEMOCRACY IN SURINAME

Rotterdam NRC HANDELSBLAD in Dutch 30 Jun 80 p 3

[Interview with J. de Koning, minister without portfolio of development aid, by Frans van Klaveren--date and place not given]

[Text] On the eve of the discussions between The Netherlands and Suriname about the use of development funds--there is still a balance of 2.5 billion guilders--it appeared that Minister J. de Koning had been the victim of a misunderstanding. He was convinced that former prime minister Arron, former minister A.G. Karamat Ali, league member E. Karamat Ali, and former minister Cambridge had been released from detention.

The minister said that his source of information had led him to believe that all prisoners had been freed except the Dutchman, Krol, and the father of former minister of agriculture Casantaroeno who are involved in the Ormskerk affair.

In a conversation with De Koning, who is married to a Surinamese, we asked him about the state of democracy in Suriname:

[Question] What is your impression of the "erosion of democracy" in Suriname, as Prime Minister Van Agt called it?

[Answer] The erosion has stopped. I am now interest in efforts to restore democracy.

[Question] You feel very confident about Chin a Sen.

[Answer] This morning I talked with him for the first time. It was very satisfactory I must admit.

[Question] Are you going to ask whether parliament will function or not?

[Answer] The Second Chamber has urgently requested that parliamentary democracy be restored in Suriname. In its contacts with the Suriname government the Netherlands has on several occasions taken action on this motion. There is no reason to avoid it on this trip.

[Question] Elections have been promised toward the end of 1982. In the meantime, only the act which gives the government its powers is valid.

[Answer] Restoration of parliamentary democracy should take place as soon as possible. It is not up to us to decide if this should be done through accelerated elections or reactivation of the present parliament. But it is our business to plead everywhere in the world for parliamentary democracy. Every government should decide for itself when to hold elections.

Different Form

[Question] Parliamentary democracy appears to have been a system that did not function in Suriname. Suriname is an independent nation. Should it not decide for itself which form of government it prefers in its growing stage? Is not it patronizing to make the restoration of parliamentary democracy an explicit condition?

[Answer] Parliamentary democracy happens to be the current system in Suriname. If another system of democracy--there are not too many--were to be proposed we should consider it. For instance, we collaborate with Zambia. It has only one party. Not the most beautiful form of democracy. We deem it adequate, however, to keep working together.

[Question] The Netherlands is, therfore, not going to put Suriname under pressure by threatening to diminish all kinds of facilities?

[Answer] Diminishing facilities is absolutely not on our minds. It is a matter of convincing one another for moral reasons of the value of democracy. The form it takes may very well vary. It should be the subject of discussion. The striving toward a more democratic society is in my opinion already a step in the right direction.

[Question] Do you call Suriname a democracy or do not you?

[Answer] I believe that Suriname is a democracy that did not function under the most favorable conditions during the past years. At this point, conditions are even less favorable.

Defects

If the choice falls on other forms of democracy the question remains which shape it would take. It is not a matter of black and white. It is not just a choice between a perfect parliamentary democracy and a military dictatorship. There are shades and forms in between. However, defects in the workings of a parliamentary democracy which affect the democratic quality of a society should always be pointed out. That does not mean that one should say: Tomorrow that will have to change or there will be 100 million guilder less. I find that an improper method of promoting democracy in a society.

[Question] What is your opinion of the act which gives the government its powers?

[Answer] The question is whether democracy keeps functioning as well as possible within the framework of the act. I am not too optimistic about this under the present conditions.

[Question] Many Surinamese look upon the present construction as the only way to do something about a sick society.

Legal Start

[Answer] After the military intervention, which I deplore, I must admit that President Ferrier and the parliament succeeded in giving the new government a legal start.

It was a success of the highest degree. It is not a matter of a choice between heaven and hell. We are usually somewhere in between. However, return to a democracy remains foremost in our minds.

[Question] Prime Minister Chin a Sen promised it. You find extension of his powers, therefore, important. Pretty soon you will be discussing things with him. Does that mean that the Dutch are willing to give in to strengthen Chin a Sen's authority?

[Answer] That willingness is great. It is only limited by Suriname's long-term interests. The long-term plan for development implies long-term thinking. Neither of us is after short-term achievement, sham successes.

[Question] Will we be seeing a narrow defeat by The Netherlands in this encounter with Suriname whereby The Netherlands is prepared to score the losing goal against themselves?

[Answer] Such a small defeat is quite acceptable if it would be helpful in the preparation of an attack. However, I do not believe in scoring the losing goal against ourselves.

[Question] Are you going to meet the National Military Council?

[Answer] It is not on the agenda. I will talk with the Suriname government. If the Suriname government likes the idea, we could bring it up for discussion. Paramaribo is a small town. People run into each other all the time. This morning, for instance, I had a nice talk with Mr Neede (one of the sergeants of the coup, the minister of police). He was there when I was introduced to the cabinet. Mr Wouterse is commander in chief of the army. I think that I will meet him at formal receptions. However, agreements will only be made with the Surinamese government.

10319
CSO: 3105

DUTCH, SURINAMESE AT ODDS OVER DEVELOPMENT AID

Rotterdam NRC HANDELSBLAD in Dutch 3 Jul 80 p 3

[Article by Frans van Klaveren]

[Text] For both the Surinamese and the Dutch delegation, protection of the 2.7 billion guilders in assistence funds against inflation is a matter of principle.

De Koning told the Suriname government that the funds in the amount agreed upon are sufficient for the next 10 to 15 years.

The Surinamese government intends to accelerate the execution of existing projects and to increase the rate of spending from the present 100 million guilders to about 200 or, possibly, 250 million guilders per year.

The Dutch believe that Suriname is unable to succeed in this effort and that the available amount will be adequate for many years to come if the present level of expenditure is kept up. The Dutch argue, therefore, that it does not make any real difference for development assistance whether the funds are protected against inflation or not.

De Koning is sorry that the discussions were broken off because important and fruitful work could have been done. The minister was prepared to give extensive assistance to the Suriname urgency program. He is willing to allot 500 million guilders to this program out of the funds which are still available. It concerns improved living conditions in Suriname and its districts.

The intention was to make drastic improvements in the area of the infrastructure. The minister was also prepared to cooperate in upgrading general health insurance. An amount of 20 million guilders was promised to expand old age benefits. People of 65 and older would receive an additional 100 guilders per month.

The above-mentioned and a few more social and infrastructural provisions were to be considered in addition to current affairs.

Prime Minister Chin a Sen declared in a press conference that Suriname will still execute the urgency program. "We shall see where that money will come from if we do not get it from The Netherlands."

Understanding

The Surinamese government declares in a communique that its delegation made reasonable and clear proposals which not only fit perfectly in the text and spirit of the development agreement but were also expected to be met with understanding for the situation which came about after 25 February.

According to the Surinamese government's statement "the Dutch delegation stuck inflexibly to its point of view and refused to live up to a literal interpretation of the agreement or to supplement the spirit of a new Suriname. The Dutch delegation refused without further ado to meet Suriname's proposals regarding galloping inflation and showed clearly that the ensuing problems would have to be born exclusively by the people."

Elections

The Dutch made it clear that de Koning's refusal to protect the value of assistance funds against inflation was not influenced at all by Suriname's political situation. However, the Dutch would indeed like to see that the planned general elections be held, if possible, at the end of this year instead of only after 2-1/2 years, to make this country's speedy return to parliamentary democracy possible.

People in Surinam have lately interpreted this to mean that The Hague would like to return to the old situation under Prime Minister Arron.

10319
CSO: 3105

AID PLANS TAKE INFLATION INTO CONSIDERATION

Rotterdam NRC HANDELSBLAD in Dutch 3 Jul 80 p 3

[Article by J.F. van den Broek]

[Text] Almost from the day of Suriname's independence, 25 November 1975, there has been a row about development assistance; this situation continues apparently into the present. When the colorful new flag was raised, the figures sounded encouraging: 3.5 billion Dutch guilders, 50 percent to be used in the productive sector, 25 percent in infrastructure--railroads, roads, and canals--and 25 percent in the social and educational fields. After all, The Netherlands has been giving development assistance since 1954 and based on the results came the sweet dream that Suriname would become the test area for Dutch assistance. However, before the exchange of the last golden handshake, prior history and signs on the wall of the future appeared to be a little less favorable than the optimistic dinner speeches on 25 November 1975 led us to believe.

MOP

The Meerjaren Ontwikkelingsplan [Long-term Development Plan], to be mentioned hereafter as MOP, is used as the basis of discussion by the mixed Dutch-Surinamese Bos-Essed Committee. It is actually the idea of the Surinamese expert Frank Essed; under the slogan "Mobilization of Our Own Resources," he asked especially for attention for large-scale exploitation of a bauxite project in West Suriname; this project has in the meantime consumed millions and produced only a small section of railroad, 77 kilometers long, which runs from nowhere to nowhere and has not yet carried its first bauxite train.

Including this gigantic plan--alongside the railroad a bauxite mine was planned, as well as alumearth factories, a hydroelectric power station, etc.--execution of MOP would, according to estimates at that time, cost 6.5 billion guilders, i.e., guilders of 1974 value. Conservative estimates come now to an ultimate figure of between 10 and 15 billion guilders and that lets the genie out of the bottle; inflation. A year ago already I was told in Suriname every day that work on the Kabalobo electric power dam is delayed, would cost 200,000 guilders in inflation alone.

Anyhow, The Netherlands was ultimately prepared to participate in MOP. There was to be a basic amount of 2.7 billion guilders supplemented by 500 million guilders for guarantees on Suriname loans from banks and eventually 300 million guilders on the basis of parity with Suriname. This led to the round sum of 3.5 billion guilders; it should be noted that Suriname itself would contribute funds and that support was to be sought from other donors and private investors. The Suriname contribution, to be derived from cutbacks and extra profits from the increased bauxite price, never materialized and other donors, such as the World Bank, had no trouble at all in suppressing their impatience to participate in MOP. The program, scheduled for completion in from 10 to 15 years, was, therefore, based on a very shaky financial base; designing the projects turned out to be disastrous because of squabbles between Dutch and Surinamese experts.

Inflation

Because many plans were approved but, for all kinds of reasons, few executed, only a relatively small amount of under .5 billion guilders of the Dutch development fund was used. Inflation, therefore, struck more relentless than should have been necessary. Political and other observers are now yelling: "More projects should have been started, more money should have been invested," but they seem to forget that the Surinamese economy can only absorb a limited sum, not to mention lack of management skills, initial failures, and corruption.

Persons using the slogan: "Development Assistance Protected against Inflation" are forgetting that when the Dutch portion of MOP was decided upon continued inflation was taken into account.

That inflation has been worse and spending slower than expected is another matter, but inflation of Surinamese currency and other developments in the republic should be mentioned ahead of much maligned Dutch paternalism. The problem of loss of purchasing power was really taken into consideration, the Central Planning Bureau and the Dutch Economic Institute calculated the effects of loss of purchasing power on the assistance funds.

After all the troubles with the Arron cabinet and the tough fights in the Committee for Development Cooperation The Netherlands - Surinam (CONS) it is somewhat amazing that the new Surinamese government deadlocked the discussions with Minister De Koning because of arguments about protection against inflation. We have a suspicion that we are here dealing with a grandiose Surinamese gesture to persuade the people to fall in step behind the new government; the 3.5 billion guilders has always been a magical sum in Suriname and the generous mother country in the background more a soothing than an inspiring dream. Without saying it, the Surinamese leaders are confident that the Dutch will help out.

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MINISTER DE KONING: FURTHER DUTCH, SURINAMESE AID TALKS IMPOSSIBLE

The Hague ALGEMEEN NEDERLANDS PERSBUREAU in English 5 Jul 80 p 1

[Text] Further talks at ministeral level between Surinam and the Netherlands on development aid are impossible for some time following the breakdown of negotiations in Paramaribo this week, Development Cooperation Minister Jan de Koning said here today.

The talks between Surinam prime minister Henk Chin a Sen and Mr De Koning collapsed when he refused a Surinamese government request for further aid to offset inflation. The Netherlands granted its former colony 2.7 billion dollars spread over 10 to 15 years as a gift when it gained independence in 1975. In addition it guaranteed Surinamese loans from banks up to 500 million guilders and it gave 300 million, if necessary on the basis of parity with Surinam, giving a total of 3.5 billion guilders.

Mr De Koning said on returning home after a six-day visit to Surinam that he had not known previously about Surinam's wish to peg Dutch aid to inflation. He said that he offered to discuss other development cooperation questions but Mr Chin a Sen broke off the talks after the Dutch refusal to make aid inflation-proof.

Mr De Koning told reporters before leaving Surinam: 'I don't think a Surinamese minister has the scope to reach compromises, so ministerial talks no longer have any purpose.'

Cttee Talks

He said the joint Surinamese-Dutch Development Cooperation Committee (CONS) set up when Surinam became independent, would meet in September. But Mr De Koning said the meeting would have to be well prepared if the committee was to survive now that compromises at ministerial level were impossible.

The failure of talks with the Surinamese government, which came to power in a coup last February, sparked off demonstrations in Paramaribo yesterday in which trade unionists, politicians, students, soldiers and policemen took part.

Demonstrators accused Mr De Koning of trying to reimpose colonial rule on the former Dutch territory.

As Mr De Koning left Paramaribo, premier Chin a Sen told the nation in a television address that Surinam had now finally severed a relationship with the Netherlands, which had prevented its development as 'a fully-fledged, independent and self-respecting nation.'

'It was impossible to continue bowing to the Netherlands without doing untold harm to national dignity and self-respect,' he said.

He made clear that the severance of negotiations would not affect the current development programme.

CSO: 3120

SURINAMESE PREMIER BLAMES DUTCH FOR AID TALKS BREAK

The Hague ALGEMEEN NEDERLANDS PERSBUREAU in English 4 Jul 80 p 1

[Text] Surinamese premier Henk Chin a Sen last night blamed Dutch development cooperation minister Jan de Koning for the breaking-off of aid talks.

He told a press conference that contacts with premier Dries van Agt and preliminary talks with the Dutch embassy here had caused his government to harbour 'huge expectations.'

He said his government had put forward 'reasonable and clear proposals which did not only completely fit both letter and spirit of the development cooperation treaty (between the two countries), but were also expected to encounter understanding for the situation that had arisen after (the coup of) February 25'.

He said the Dutch delegation 'flatly refused to consider adjusted Surinamese proposals to take into account galloping inflation and made clear that the resultant burdens had to be borne by our nation alone'.

When Mr De Koning was not prepared to promise more money, Dr Chin a Sen continued, the Surinamese delegation had asked him to agree at least in principle that aid should remain inflation-proof.

Annual Deposits

He said this could have been done by depositing one-tenth of the outstanding aid commitment with a bank every year, adding that this would make the aid inflation-proof and would not cost the Dutch treasury anything.

When Mr De Koning refused, the Surinamese delegation had no options but to break off the talks, he said.

Dr Chin a Sen stated that his government would carry out its crash programme in the interest of the weak in the Surinamese society, even if no extra money was forthcoming from Holland. 'We will just tighten our belts,' he said.

He added that a number of visits which Mr De Koning had been scheduled to make, had been cancelled 'in the interest of his safety.'

Our correspondent said that, before the Premier gave his press conference, the military authorities organized a new demonstration by schoolchildren in front of the hotel where Mr De Koning was staying.

Several thousands marched past with banners reading 'Surinam wants no Dutch tutelage.'

More demonstrations were planned for today, the correspondent said.

CSO: 3120

BELAUNDE DISCUSSES RETURN TO CONSTITUTIONAL RULE

FA290135 Madrid EFE in Spanish 1636 GMT 28 Jul 80

[Text] Madrid, 28 Jul (EFE)--Peruvian President-elect Fernando Belaunde Terry told Spanish television today about the importance that the peaceful withdrawal of the military from power in Peru has for Spanish America.

"I think without any false modesty," he said, "that the most important political event in Latin America in the past few days has been Peru's election, the gesture of the military who are leaving power without violence."

"The situation was settled by General Morales Bermudez," he added, "who led the so-called 'second phase' of this movement. He has obviously kept his word: to hold elections and bring Peru back to constitutional rule."

About the 12 years since Velasco Alvarado's military coup ousted then President Belaunde, the latter said: "I view this time very calmly without desire for revenge because, after all, any damage has been redressed at the polls. All I care about is the people's judgment."

"Throughout the 12 years of military dictatorship in Peru," he went on, "the intention has been to achieve structural reform but the result has been the impoverishment of the people. Inflation is very high. The minimum wage buys less than it used to and I think this is a way of gauging the results of the reform."

"As the new president of a different Peru," he contended, "I will handle official policy as I did during my previous term but bearing in mind that things have changed as far as freedoms and guarantees are concerned. This country no longer has 12 million inhabitants. It has 17 million inhabitants. There are 5 million more people to be fed, cared for and cured and, naturally, the work is much more difficult."

"We also have an inflation rate that deeply worries us but," he said, "in general ideals have not changed, programs may change and become more dynamic but the ideals stay."

About the effects of the military coup in Bolivia and the possibility of another coup in Peru, Belaunde said "I think there is much more to learn from this from a civilian point of view than from any other coup that might occur in any other country. We are naturally profoundly concerned about everything that might happen and bother the fraternal republic of Bolivia with which we have always felt very much identified."

"We hope it will find its way back to constitutional rule," he added, "and we restate our admiration for Mrs Gueiler who worked with great selflessness and courage. We think she should have finished her term."

Finally, he stated "I would like to say something that might interest the Spanish people because it is a token of genuine simplicity: A few days ago I received a telephone call. I picked up the phone and it was his majesty King Juan Carlos."

"He is very well liked here in Peru. He has been known since his youth when he came here as member of the coast guard aboard a schoolship. Afterwards he paid an official visit and his efforts to bring Spain to a democratic monarchy are well known."

"We are also expecting President Suarez' visit. We have had constant reminders of the interest that the mother country has for Peru, and we believe we are a favorite daughter."

Adolfo Suarez, president of the Spanish Government, has come to Lima to attend President Belaunde's inauguration.

CSO: 3010

APRA SPLITS INTO TWO FACTIONS

PY040333 Paris AFP in Spanish 0242 GMT 4 Aug 80

[Text] Lima, 3 Aug (AFP)--The American Revolutionary Popular Alliance [APRA], the country's main political force, tonight split into two blocs exactly a year after the death of its founder, Victor Raul Haya de La Torre.

The schism occurred at the 13th National Congress of the party held in Trujillo, 550 km north of Lima, as leaders Luis Alberto Sanchez, Andres Townsend Ezcurra, Ramiro Priale, Ponce de Leon, Alfonso Ramos Alva and 120 more delegates walked out of the assembly controlled by Armando Villanueva.

They said they were walking out to protest the team that had controlled the congress by handing out credentials to individuals who had no following within the party, while denying credentials to the party's grassroots organizations. They said they were going back to their posts of struggle to restore the party's unity and that APRA members will rebuild the party founded by Haya de La Torre.

Meanwhile, Armando Villanueva, the head of the other faction, continued to preside over the congress and pointed out that they only disagreed with the group that walked out over matters of interpretation. He said he hoped they would reconsider their position and that he would welcome them back, indicating that the large majority of the delegates supported him.

The delegates--who were shouting: Unity, unity, Victor Raul, Victor Raul--were electing their new authorities tonight. The first elected official was Fernando Leon de Vivero, the sole new secretary general of APRA, which in recent years was led by a collegial team of secretaries general.

CSO: 3010

BRIEFS

NAVY MINISTER'S STATEMENTS--Peru loves and wants peace. This it has proven throughout its history, according to Vice Adm Juan Egusquiza Babilonia who made this statement yesterday at the christening ceremony of the new anti-submarine destroyer "Quinones" which has thus joined the Peruvian Navy and the Pacific Naval Force. The ceremony held at Callao Naval Base, was attended by President Morales Bermudez. The naval minister stated that in view of past experience--meaning the Pacific war--Peru is aware that to preserve peace it must be adequately prepared, which means must have appropriate equipment and training to guarantee the fulfillment of the country's desire for peace. Egusquiza Babilonia stated that the purchase of the new destroyer constitutes the success of the Peruvian Government and people to keep the navy well-equipped and ready to guarantee Peruvian sovereignty and security. [Excerpt] [PY252045 Lima Domestic Service in Spanish 1200 GMT 25 Jul 80]

CONGRESSIONAL APPOINTMENTS--Lima, 27 Jul (AFP)--Two congressmen of the majority Popular Action (AP) Party of Fernando Belaunde Terry, who will assume the presidency Monday, were named presidents of the Senate and of the Chamber of Deputies when the Peruvian National Congress was installed here today after 12 years of inactivity under the military regime. Oscar Trelles (president of the Senate) and the president's brother, Francisco Belaunde (president of the Chamber of Deputies), spoke and called for the unity of the people to overcome the economic crisis. They praised the triumph of democracy in the country, promised to exercise their duties with neutrality and paid homage to Victor Raul Haya de La Torre, deceased founder of the Aprista Party of Peru (PAP)--second in the elections. [Excerpt] [PY281724 Paris AFP in Spanish 0219 GMT 28 Jul 80]

CSO: 3010

RENEWAL OF GUERRILLA ACTIVITY BRINGS CONCERN

PA020206 Madrid EFE in Spanish 1806 GMT 1 Aug 80

[Article by Marcel Roo Gonzalez]

[Excerpts] Caracas, 1 Aug (EFE)--A new climate of violence threatens to further cloud Venezuela's agitated political panorama due to armed clashes between guerrillas and soldiers.

According to the latest reports received today in Caracas, several armed men yesterday attacked a military convoy that was combing an area in eastern Venezuela.

Two soldiers, a peasant who apparently was serving as an army guide and four alleged guerrillas were wounded in the clash. The four wounded guerrillas were able to escape.

The army supported by policemen has begun a vast operation throughout the eastern Venezuela region which has been declared under military control.

Reports from the region indicated that two suspected guerrillas of the Americo Silva front and a peasant have been arrested during the military operation.

The Americo Silva front is the armed branch of the Red Flag guerrilla organization which has rejected the government's call for laying down arms and returning to legal struggle.

During the past few weeks that group has suffered important setbacks since once of its main leaders, Pedro Veliz Acuna "Commander Zerpa," and two female guerrillas have been arrested.

During the first few months of the current administration, most of the groups involved in guerrilla activities agreed to return to legal political life.

But one of those groups Red Flag split into two factions: one which accepted the government's pacification policy and another which rejected that policy and reiterated its support of armed struggle.

Gabriel Puerta Aponte, leader of the latter group, stated at the end of last year that he would continue in the guerrillas struggle against the government "even if he is the only one left."

The latest events, characterized by mass military mobilizations, arrests of guerrillas and clashes between soldiers and guerrillas show that Puerta Aponte was serious.

Venezuela's political circles are concerned that these events will bring about a repeat of the climate of violence this country experienced in past decades.

CSO: 3010

POLICE, ARMY IN SEARCH FOR GUERRILLAS

PA032108 Madrid EFE in Spanish 2337 GMT 2 Aug 80

[Article by Emilio Crespo]

[Text] Caracas, 2 Aug (EFE)--The Venezuelan police and army are patrolling several areas in the country's interior in search for guerrilla groups that have killed a policeman and wounded two soldiers in the past few days.

The authorities have reported that the presence of a group of 17 activists was detected in Carabobo State, in the west, some of whom had participated in the machinegun attack against a policeman on Saturday.

The security forces searching the region found rifles, ammunition and knapsacks in a cave where the guerrillas had presumably hidden.

The police are investigating the group's responsibility for several bank holdups in cities in the interior. It is believed that the group belongs to an organization that was headed by Argenis Betancourt, a guerrilla chief killed recently by the police.

A large military operation is underway in Sucre State, in the east, to capture those responsible for an ambush against an army convoy, which wounded two soldiers.

Strict checks are being conducted on highways and roads in the area. Cars are being searched and passers-by and peasants are asked for identification in the police search for weapons or alleged guerrillas.

Reports here indicated that the cartridges picked up at the site of Thursday's ambush were from Czechoslovakia.

The military search for the activists is being conducted by air and land. The death of one of these activists has not been officially confirmed. Apparently, he was killed as the ambushed soldiers repelled the attack.

Many arrests have been made in the area but there has been absolute secrecy regarding the investigations. For this reason, it has not been possible to find out if there are any guerrillas among those arrested.

Recent actions by the revolutionaries have made political observers in this country believe that Venezuelan guerrilla warfare--which was at its peak in the 1960's--is reappearing.

The parties which advocated armed struggle started to opt for activism in the political sphere some 10 years ago. Only a few groups insisted on rural and urban guerrilla warfare.

With the government of Luis Herrera Campins, which assumed power in March 1979, the rest of the organizations which were still confronting the army and the police took refuge in the policy of pacification, and "Red Flag" was practically left alone.

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